

**INFLUENCE OF CAPACITY BUILDING ON FINANCIAL
PERFORMANCE AND GROWTH OF WOMEN OWNED SMALL
AND MEDIUM ENTERPRISES IN GIKOMBA MARKET;
NAIROBI COUNTY, KENYA.**

BY

CHEGE SARAH MUTHONI

**A PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS IN PROJECT
PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI**

2013

DECLARATION

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

Signature

Date

CHEGE SARAH MUTHONI

L50/74463/2012

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

Signature

Date

M/s. Mercy Wambui.

Department of Extra Mural studies

University of Nairobi.

DEDICATION

This project is dedicated to my family; my son Billbright Mutwiri who was born during the process of writing this research project, and my other son Victor Mwenda who provided distractions in the study room and my husband Nelson Kimathi for support and encouragement.

ACKNOWLEDGEMENT

I acknowledge the power of God, the maker, and the provider of knowledge for enabling me to complete my Masters in the right spirit. Most importantly, I sincerely wish to acknowledge the support from my supervisor Ms. Mercy Wambui, without whom I could not have gone this far with my project work. To the University of Nairobi for offering me the opportunity to do this study and all my lecturers who contributed in one way or another in quenching my thirst for knowledge, I owe you my gratitude.

I owe a great deal of gratitude to my family members for their unfailing moral support throughout my period of study and for understanding and appreciating the demand of the course. I cannot forget the positive influence of my classmates as a source of inspiration throughout my study and for assisting me in sourcing for information and materials for this project. To you all, God bless.

| TABLE OF CONTENT | Page |
|--|-------------|
| DECLARATION..... | ii |
| DEDICATION..... | iii |
| ACKNOWLEDGEMENT..... | iv |
| TABLE OF CONTENT..... | v |
| LIST OF TABLES | x |
| LIST OF FIGURES | xii |
| ABBREVIATIONS AND ACRONYMS | xiii |
| ABSTRACT..... | xiv |
| CHAPTER ONE: INTRODUCTION..... | 1 |
| 1.1 Background to the Study | 1 |
| 1.2 Statement of the Problem | 5 |
| 1.3 Purpose of the study | 6 |
| 1.4 Objectives of the Study | 6 |
| 1.5 Research Questions | 7 |
| 1.6 Significance of the Study | 7 |
| 1.7 Basic Assumptions of the Study | 8 |
| 1.8 Limitations of the Study | 8 |
| 1.9 Delimitation of the Study | 8 |

| | |
|--|-----------|
| 1.10 Definition of significant terms used in the study | 8 |
| 1.11 Organisation of the study | 10 |
| CHAPTER TWO: LITERATURE REVIEW | 11 |
| 2.1 Introduction | 11 |
| 2.2 Entrepreneurship and Economic Status..... | 11 |
| 2.3 Theoretical Framework | 13 |
| 2.4 Performance of Women Entrepreneurs in Small Medium Enterprise..... | 16 |
| 2.5 Capacity Building Strategies | 17 |
| 2.5.1 Training strategies | 18 |
| 2.5.2 Networking Skills..... | 20 |
| 2.5.3 Attitude towards Gender Equality | 21 |
| 2.5.4 Leadership strategy..... | 23 |
| 2.6 Conceptual Framework | 24 |
| 2.6.1 Relationship between the variables | 26 |
| 2.7 Summary of the Literature Review | 27 |
| CHAPTER THREE: RESEARCH METHODOLOGY | 28 |
| 3.1 Introduction | 28 |
| 3.2 Research design..... | 28 |
| 3.3 Target Population | 28 |

| | |
|---|-----------|
| 3.4. Sample size and Sampling Procedure | 29 |
| 3.5 Research instruments..... | 29 |
| 3.5.1 Pilot study..... | 30 |
| 3.5.2 Validity of research instruments..... | 30 |
| 3.5.3 Reliability of research instruments..... | 30 |
| 3.6 Data Collection Procedure | 31 |
| 3.7 Data Analysis | 31 |
| 3.8 Ethical Consideration | 31 |
| 3.9 Operationalization plan | 32 |
| CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION..... | 33 |
| 4.1 Introduction | 33 |
| 4.2 Demographic Information | 33 |
| 4.2.1 Respondents' distribution by Age | 34 |
| 4.2.2 Respondents' age when starting business | 34 |
| 4.2.3 Respondents' educational background..... | 35 |
| 4.3 Training and development strategy and performance and growth of women owned SMES | 35 |
| 4.3.1 Attending Training and Development on Entrepreneurship | 36 |
| 4.3.2 Training Areas on Entrepreneurship | 36 |

| | |
|---|----|
| 4.3.3 Entrepreneurship Training and Improvement of Business Performance | 37 |
| 4.3.4 Training and development strategy and performance and growth of women owned SMES..... | 37 |
| 4.4 Networking skills development strategy and performance and growth of women owned SMES | 39 |
| 4.4.1 Membership of social network/social groups related to the running of business | 39 |
| 4.4.2 Social network/social groups and Improving Performance of Business | 39 |
| 4.4.3 Networking skills development strategy and performance and growth of women owned SMES | 40 |
| 4.5 Attitude towards gender equality and performance and growth of women owned SMES . | 42 |
| 4.5.1 Attending gender sensitization forums and ways to become better entrepreneurs | 42 |
| 4.5.2 Gender sensitization in improving performance of business | 42 |
| 4.5.3 Attitude towards gender equality and performance and growth of women owned SMES | 43 |
| 4.6 Leadership strategy and performance and growth of women owned SMES | 45 |
| 4.6.1 Training on leadership related to business | 45 |
| 4.6.2 Training on leadership in improving performance of business | 45 |
| 4.6.3 Leadership strategy and performance and growth of women owned SMES | 46 |
| 4.7 Inferential Statistics..... | 48 |
| 4.8 Variable analysis | 51 |

| | |
|---|-----------|
| CHAPTER FIVE: SUMMARY OF FINDINGS,DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS..... | 54 |
| 5.1 Introduction | 54 |
| 5.2 Summary | 54 |
| 5.3 Conclusions | 58 |
| 5.4 Recommendations | 60 |
| 5.5 Suggestions for further studies | 61 |
| REFERENCES..... | 62 |
| APPENDIX 1: LETTER OF INTRODUCTION..... | 69 |
| APPENDIX 2: WOMEN ENTREPRENEURS QUESTIONNAIRE..... | 70 |
| APPENDIX 3: TABLE FOR DETERMINING SAMPLE SIZE..... | 76 |

LIST OF TABLES

| | Page |
|--|------|
| Table 3.1: Operationalization plan..... | 32 |
| Table 4.2: Respondents’ distribution by Age | 34 |
| Table 4.3 Respondents’ age when starting business..... | 34 |
| Table 4.4: Respondents’ educational background | 35 |
| Table 4.5: Attending Training and Development on Entrepreneurship..... | 36 |
| Table 4.6: Training Areas on Entrepreneurship..... | 36 |
| Table 4.7: Entrepreneurship Training and Improvement of Business Performance..... | 37 |
| Table 4.8 Training and development strategy and performance and growth of women owned SMES | 38 |
| Table 4.9 Membership of social network/social groups related to the running of business | 39 |
| Table 4.10: Social network/social groups and Improving Performance of Business | 40 |
| Table 4.11 Networking skills development strategy and performance and growth of women owned SMES | 41 |
| Table 4.12: Attending women empowerment forum on ways to become better entrepreneurs ... | 42 |
| Table 4.13: Women empowerment in improving performance of business..... | 43 |
| Table 4.14 Attitude towards gender equality and performance and growth of women owned SMES | 44 |

| | |
|--|----|
| Table 4.15: Training on leadership related to business..... | 45 |
| Table 4.16: Training on leadership in improving performance of business | 46 |
| Table 4.17 Leadership strategy and performance and growth of women owned SMES..... | 47 |
| Table 4.18 Model Summary | 48 |
| Table 4.19 ANOVA of the Regression | 49 |
| Table 4.20 Coefficient of determination..... | 50 |

LIST OF FIGURES

| | Page |
|--------------------------------------|-------------|
| Figure 1: Conceptual Framework | 25 |

ABBREVIATIONS AND ACRONYMS

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

ABSTRACT

Small and medium enterprises are widely recognized in the world, for their role in the social, political and economic development. Women are becoming increasingly important in the socio-economic development of both developed and developing economies as they own most of Small and Medium Enterprises (SMEs). However, efforts to improve financial performance and growth of SMEs run by women remain futile partly due to lack of adequate knowledge by the concerned stakeholders on how capacity building impacts on performance and growth of women owned SMEs. The purpose of the study was to establish the influence of capacity building strategies on financial performance and growth of women owned SMES in Gikomba market in Nairobi County, Kenya. The objective of the study was to examine the influence of training and development strategy, networking skills strategy, attitude towards gender equality strategy and leadership strategy on performance and growth of women owned SMES. In this study the population of the study was grounded on the entrepreneurship theory. The study employed descriptive survey research design. The population of the study was women owning Small and Medium Enterprises (SMEs) at Gikomba Market in Nairobi County. The researcher employed proportionate, simple random sampling techniques in identifying 357 respondents to be included in the sample. Observation and interviews methods of data collection were employed to gather data. Data analysis involved the use of qualitative techniques in derivation of explanations and inferences from the findings through logical descriptions, and quantitative analysis through descriptive statistics. From the findings, the study concluded that majority of the women owned SMEs in Gikomba Market were run on trial and error basis as majority of the owners had never received training and development on entrepreneurship. Training on entrepreneurship was critical in enhancing financial performance and growth of women owned SMEs. However, the fact that majority of the SMEs owners had not been trained on entrepreneurship; they lacked expertise. The networking skills development strategy influenced performance and growth of women owned SMES to a great extent. The networking skills development strategy was a key strategy required to enhance the performance and growth of women owned SMES. The majority of the women entrepreneurs were empowered in managing their businesses through the various empowerment forums that they attended. This helped the women to better manage their SMEs and improve their profitability. The attitude towards gender equality influenced performance and growth of women owned SMES to a moderate extent. The study further revealed that gender sensitisation forum that they attended influenced performance and growth of women owned SMES since women had positive attitude towards undertaking risks in enterprises that are labelled as belonging to men. The leadership strategy influenced performance and growth of women owned SMES to a moderate extent. The majority of the women entrepreneurs lacked critical leadership skills in managing their SMEs which slowed down the growth of women owned SMEs as they had never attended leadership training. The leadership strategy enhanced the business management as well as led to recruitment and upward mobility of women to position of business top management and decision-making. This study may be of significance to women entrepreneurs as it identified the gaps and outline the capacity building needs of women entrepreneurs in Kenya. The study may also inform the relevant stakeholders on the appropriate strategies to be used in increasing women productivity and sustainability of SMEs.

CHAPTER ONE:

INTRODUCTION

1.1 Background to the Study

Small and medium enterprises are widely recognized all over the world, for their role in the social, political and economic development. The importance of the sector is particularly apparent in its ability to provide reasonably priced goods, services, income and employment to a number of people (Mullei and Bokea, 1999). It is for this reason that there has been a growing interest and concern by the government and development agencies for the improved growth of SMEs. Micro-enterprises are very small businesses, often involving only the owner, some family member(s) and at the most one or two paid employees. They usually lack 'formality' in terms of business licenses, value-added tax (VAT) registration, formal business premises, operating permits and accounting procedures.

According to the Micro, Small and Medium Enterprises (MSME) Development Act of 2006, (India) a micro enterprise is where the investment in plant and machinery does not exceed USD Fifty Thousand. A small enterprise is where the investment in plant and machinery is more than USD Fifty Thousand but does not exceed USD 1 million. A medium enterprise is where the investment in plant and machinery is more than USD 1 million but does not exceed USD 2 million. Again, still in India, in the case of the enterprises engaged in providing or rendering of services, as a micro enterprise is where the investment in equipment does not exceed USD 20,000. A small enterprise is where the investment in equipment is more than USD 20,000 but does not exceed USD 400,000. The small and micro enterprises (SMEs) play an important role in the Kenyan Economy. According to the Economic Survey (2006), the sector contributed over 50 percent of new jobs created in the year 2005. MSEs the world over are defined by a combination of similar parameters whose magnitude vary first by industry then by country.

In USA, the analysis of gender creative businesses shows that the rate of growth of women – owned businesses is twice that of men and this comprises more than 35% share of all entrepreneurial ventures. They generate over \$2.3 trillion in annual revenue, and employ 18

million individuals (Baum & Singh 2005). In Kenya also, women entrepreneurs are considered as an integral part of economic growth. Their businesses contribute jobs, productive and distributive activities required for wealth creation both for family and nation's economies (Barrett & Weinstein, 2006). Women who are active in entrepreneurship and SMEs enable them to effectively combine their roles because of the flexibility in hours of work which permit them to care for their children and also contribute substantially to economic growth (Barrett & Weinstein, 2006).

Women are becoming increasingly important in the socio-economic development of both developed and developing economies as they account for significant percent of the operators of Small and Medium Enterprises (SMEs) (Cheston & Kuhn, 2009). Women entrepreneurs make a substantial contribution to national economies through their participation in start-ups and their growth in small and medium businesses (United Nations, 2006). Their interests and activities in the economic growth and development especially in the area of SMEs have received outstanding interest of researchers. Global Entrepreneurship Monitor (GEM) (2005) confirmed that women participate in a wide range of entrepreneurial activities across the 37 GEM and their activities in different countries have paid off in form of many newly-established enterprises for job and wealth creation. This entrepreneurship is usually seen from the perspective of men driven economy (Schuler and Riley, 2010) due to its complexity, particularly its gender issues, the role of women entrepreneurs has not been properly documented.

While women's entrepreneurship is a central aspect of economic development and public policy concern in most countries, scholarly research about their entrepreneurial activities is comparatively scarce. The role of entrepreneurs as agents in the labour market for creation of employment, wealth creation, poverty alleviation and provision of resources has helped tremendously to increase the number of women-owned entrepreneurial ventures in the world. The emergence of the private sector as the major participant/player in the industrial development of many countries has also improved women's access in employment opportunities as against when they experienced denial in employment opportunities as wage workers because of their family responsibilities, lack of skills, social and cultural barriers (Schuler and Riley, 2010).

The operation of SMEs involves considerable risks, hard work, enormous sacrifice and sincerity of purpose which cut across various obstacles. The risks, challenges and obstacles (Ojo, 2004) perhaps affect women entrepreneurs more than their men counterparts, making their chances of success to be considerably lower than men (Ahuja & Lampert, 2010). Considering the various challenges and obstacles facing SMEs particularly in Kenya which include; capital inadequacy, unavailability of the required infrastructures, shortage of manpower to mention but few, someone may quickly conclude that women are usually discouraged from venturing into enterprise development. But today the story is a different one; women are starting and growing businesses at an unprecedented rate.

Issues explored by women entrepreneurs as listed in previous studies include their socio-demographic and economic background, the factors that facilitated or inhibited their decisions to become entrepreneurs and their experiences in entrepreneurship (Bonnell & Gold, 2009). Examining particular issues that affect and confront women in business is therefore very important (Ojo, 2009). Consequently, their activities in the economy have received an outstanding interest of researchers. This study came up as a reaction to the research report of Reynolds & White (2007). The studies indicate that uneducated women do not have the knowledge of measurement and basic accounting. Low-level risk taking attitude is another factor affecting women folk decision to get into business. Low-level education provides low-level self-confidence and self-reliance to the women folk to engage in business, which is continuous risk taking and strategic cession making profession. Investing money, maintaining the operations and ploughing back money for surplus generation requires high risk taking attitude, courage and confidence. Though the risk tolerance ability of the women folk in day-to-day life is high compared to male members, while in business it is found opposite to that. Achievement motivation of the women folk found less compared to male members. The low level of education and confidence leads to low level achievement and advancement motivation among women folk to engage in business operations and running a business concern.

Capacity building refers to investment in people, institutions and practices that will together enable countries in the region to achieve their development objectives (World Bank 1997), it's a

new build-up of capabilities (Kuhl, 2009). Capacity building is a concept that has different meanings for different people, but in general relates to enhancing or strengthening a person's or organisation's capacity to achieve their goals (Lusthaus, Adrien & Perstinger, 1999). Kongolo (2010) argues that one of the best ways to maintain a flourishing and growing economy is "SME blooming and booming". In fact, SMEs play a vital part in the process of economic transition from agriculture-led economies to industrial ones by providing opportunities for processing activities. This leads to sustainable sources of revenues as well as enhancing development. SMEs also shore up production capability, which helps to absorb productive resources regardless of economic levels and contribute to the flexibility of economic systems. Small and large scale enterprises also become interlinked.

Bonaglia & Fukasaku (2007) support this argument by stating that many policy makers have paid great attention to the strengthening of private sector development (PSD) as a strategic key to a national economic development strategy. In addition, it is widely acknowledged that small and medium-sized enterprises (SMEs) are playing a vital part in the mechanism of socio-economic development in many countries, especially the least-developed countries. In fact, it is the highest employment generator and provides a level of income to maintain the living conditions of the people in the country (Organisation for Economic Co-operation and Development-OECD, 2010b). According to Siu, Lin, Fang, & Liu (2006) SMEs are considered as a prolific job creator and the foundation of large scale businesses as well as the fuel of national economic engines. Organisation for Economic Co-operation and Development-OECD (2010) emphasizes that SMEs maintain a stable economic development momentum even when the countries are facing economically turbulent times.

Tolento, 2000 as cited in Sultan,(2007) summarised the economic potential and social benefits of SMEs to the national development: they create jobs at low capital cost, they make a positive contribution to the national gross domestic product (GDP), they generate opportunities for expanding entrepreneurial base, they create the required flexible mechanism for market challenge adaptation, they provide a foundation for large-scale enterprises, they penetrate niche

markets that are not profitable for large enterprises and they strengthen the policy development that is based on decentralisation and local development (Sultan, 2007).

1.2 Statement of the Problem

Women being the backbone of economies in developing countries and specifically in Kenya, play a significant role to ensure their families' well being (Phizacklea, 2003). This is seen in terms of providing food, shelter, health and education for the children. Being the majority (about 55%) of the population, their role is crucial in bringing about change in their communities. Most of the women provide for their families through subsistence farming and other agricultural activities supplemented by petty trade or micro enterprises.

The major problems faced by women entrepreneurs are competition from better quality products and marketing problems. Accessibility to initial capital, even when available, is also a major hurdle for women entrepreneurs. In a study of women small-scale entrepreneurs in the garment Manufacturing sector of the textile industry in Nyeri and Nairobi by Macharia and Wanjiru (1998), the factors that inhibit credit availability to women include: lack of start-up (seed) capital; lack of awareness of existing credit schemes; high interest rates; lengthy and vigorous procedures for loan applications; lack of networking skill, lack of collateral security for finance, lack of leadership capacity and negative attitude towards gender equality. These factors have become a major barrier to the growth potential of businesses owned by women. In Kenya, there is a general lack of appropriate technology available to disabled women entrepreneurs (McCormick and Pedersen, 1996), and also general lack of an entrepreneurial culture in Kenya and, more particularly, for potential and operating women owner/managers of MSEs. Competing financial needs between family and business becomes one of the major constraints to enterprise growth the little income earned from the business is sometimes used for what appears to be urgent family requirements, irrespective of why it was set aside resulting in a reduction of the capital invested and hence curtails further growth (Alila et al., 2002).

Following the emerging markets and the increasingly competitive nature of business today means that entrepreneurs, including local SME entrepreneurs, need to develop their

entrepreneurial skills in order to meet the dynamic demands of customers and stay competitive. In addition, the future challenge will require both an increased concentration on entrepreneurial skills and an increase in the volume of management development (Awuah & Amal, 2011). The governments, NGOs and other institutions should enhance their utilization capabilities and make better use of the firms' resources to conduct more effective management (Xun et al 2009). Capacity building will entail entrepreneurial orientation, and methods, practices and decision-making processes that stimulate new SMEs performance and combine new business ideas or existing markets with new or surviving goods and services (Jitnom & Ussahawanitchakit, 2009).

Efforts to improve financial performance and growth of SMEs run by women remain futile partly due to lack of adequate knowledge by the concerned stakeholders on how capacity building impacts on performance and growth of women owned SMEs. Thus, this study investigated how capacity building in terms of training and development, networking skills, attitude towards gender equality, and leadership strategy influences performance and growth of women owned SMES in Gikomba market.

1.3 Purpose of the study

The purpose of the study was to establish the influence of capacity building strategies on financial performance and growth of women owned SMES in Gikomba market.

1.4 Objectives of the Study

The study was guided by the following specific objectives:

- i. To find out whether training and development strategy influences financial performance and growth of women owned SMES in Gikomba market.
- ii. To establish how networking skills strategy influences financial performance and growth of women owned SMES in Gikomba market.
- iii. To examine whether attitudes towards gender equality strategy influences financial performance and growth of women owned SMES in Gikomba market.

- iv. To examine whether leadership strategy influences financial performance and growth of women owned SMES in Gikomba market.

1.5 Research Questions

From the above objectives, the following research questions were developed:

- i. How do training and development strategy influence financial performance and growth of women owned SMES in Gikomba market?
- ii. In what ways do networking skills strategy influences financial performance and growth of women owned SMES in Gikomba market?
- iii. How does attitude towards gender equality strategy influences financial performance and growth of women owned SMES in Gikomba market?
- iv. What is the influence of leadership strategy on financial performance and growth of women owned SMES in Gikomba market?

1.6 Significance of the Study

This study may be of great importance to women entrepreneurs as it outlines the major factors affecting women entrepreneurs in Gikomba market. The study may inform on the role of capacity building in the effort to generate knowledge, skills and expertise in order to enhance analytical capacity that may assist in increasing women productivity and sustenance in SMEs. To academicians and researchers, the study may be a source of reference material for future researchers on capacity building strategies that help in determining the business's competitive advantages in women related SMEs.

1.7 Basic Assumptions of the Study

The study assumed that the stated objectives would be achieved and women in Gikomba Market are representative of other women in Nairobi and Kenya at large. The study also assumed that the sample population would be a representative of the whole population of women in Gikomba Marke. Finally it was assumed that the research tools would be adequate in collecting valid data for the desired objectives of the research.

1.8 Limitations of the Study

Since the study focused on small scale women traders in Gikomba Market, the findings may not be generalizable to other market areas. The differing Gikomba market environments, interms of competition, business concentration and different SMEs dealing in different products restricted the results of this study to women owned SMEs in Gikomba Market . Nevertheless, the underlying theoretical assumptions and methodology of this study, as well as the findings of this study should be of assistance in other areas in assessing capacity building on performance and growth of women owned SMES in kenya.

1.9 Delimitation of the Study

Delimitation is the process of reducing the study population and area to a manageable size. This research was delimited in terms of the scope that it covered. Participation of this study was delimited to women entrepreneurs in Gikomba market. Enterprises owned and run by both men and women or men only were not included.

1.10 Definition of significant terms used in the study

Attitude towards gender Equality: This refers to the manner, disposition, feeling, or position with regard to a person or a thing; tendency or orientation, especially of the mind. In this case a strategy to enhance gender sensitization and to enhance equality in working conditions. It will mean gender sensitization to women in SMEs, meant to change their attitudes toward traditional gender norms.

Capacity building: Capacity building is a concept that has different meanings for different people, but in general relates to enhancing or strengthening a person's or organisation's capacity to achieve their goals. In this study it will refer to training, networking gender equality and Leadership strategies to Women in Gikomba Market

Financial Performance: A subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

Growth: The process of improving some measure of an enterprise's success. Business growth can be achieved either by boosting the top line or revenue of the business with greater product sales or service income, or by increasing the bottom line or profitability of the operation by minimizing costs.

Leadership strategy: A process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task. In this case, it will entail the ability of women being in charge of their enterprises while showing total commitment to the management of their enterprises through leadership development strategies such as mentorship.

Networking strategy: Refers to a strategy to integrate women to professional organizations or part of other networks to enhance access of information. In this case, it will mean involving women in SMEs, in business networks to enhance their growth.

SMEs: SMEs are companies the personnel numbers of which fall below a certain limit. In this study it will refer to Women owned enterprises with 5 to 50 employees

Training strategy: Attempt, within or outside the organization, to increase job-related knowledge and skills of either managers or employees. In this study it will mean skills and knowledge provision to women SMEs in Gikomba market

1.11 Organisation of the study

In chapter one the following are covered: Background of the study, statement of the problem, purpose of the study, objectives, research questions, justification, significance, basic assumptions, limitations, delimitation and definition of significant terms used in the study. In chapter two, the introduction has been covered, Theoretical Framework Performance of Women Entrepreneurs in Small Medium Enterprise, Capacity Building Strategies as well as the conceptual framework

In chapter three the following are included under Research Methodology: research design, Target Population, Sampling Procedure, Research instruments, Validity and Reliability of the instruments Data analysis etc. In addition, chapter four presented data analysis, presentation and interpretation while chapter five presented summary conclusion and recommendations of the study.

CHAPTER TWO:

LITERATURE REVIEW

2.1 Introduction

This chapter discusses literature as depicted by the previous researchers based on the objectives of the study. In particular the chapter discusses the following, entrepreneurship and economic status, theoretical framework, performance of women entrepreneurs in small medium enterprise, capacity building strategies, conceptual framework as well as the summary of the literature review.

2.2 Entrepreneurship and Economic Status

After experiencing two decades of poor economic performance, during which per capita income stagnated, Kenyans elected a government that campaigned for fundamental reform of governance. The government pursued policies that have stimulated private sector investment, promoted growth, and improved the well being of citizens. The Government reoriented its budget to allocate a much larger share of expenditure to priority areas: infrastructure, health and education, agriculture, and rural development. It has also sharply increased the allocation for investment, from 1.9 percent of GDP in financial year 2002/03 to 8.1 percent of GDP in financial year 2007/08 (Government of Kenya, 2007). The government is managing its macro economy soundly. The situation did not improve significantly until late 1980 when macro-economic variables began to rejuvenate as more development variables were injected into the process of her development. The new value systems introduced include inter-industry relationship, restructuring of production and distribution processes, recognition of micro and macro enterprises, a new role assigned to development of entrepreneurship, enhanced international competitive power, economic restructuring, industrial development and employment generation strategies (Government of Kenya, 2007).

The role assigned to entrepreneurship for economic growth and development especially in the developed economies such as USA, Britain, Japan, Canada and others made most developing

economies to adjust their developmental concept and plan and see new enterprise development as very vital to their economic problems. Entrepreneurship as the biggest drive of economic growth and great factor of economic development which has been recognized for its importance in the area of job creation, revenue generation, poverty alleviation and wealth creation. This concept is now identified as the central element in the theory of economic development (Cheston & Kuhn, 2009) and it makes up the largest business sector in economies. It has been recognized as the driver of employment and economic growth (Miner & Haunschild, 2005).

Entrepreneurship is important for the support of small and medium enterprises (United Nations, 2006). With an active Small and Medium Enterprises sub-sector in the production process, developed and less developed countries are expected to depend less on large industries to drive their economy towards posterity. This is because economic renewal and growth is expected to be increasingly driven within the vehicle of enterprise creation and the industry clusters. Entrepreneurship is therefore a process that involves a willingness to rejuvenate market offerings, innovate, risks taking, trying out of new and uncertain products, services, markets and being more proactive than competitors towards exploring new business opportunities (Miner & Haunschild, 2005). It attracts both men and women who are interested in profitable inter-industry relationship. To ensure adequate development and competitiveness in entrepreneurship, considerable research has examined the participation of both male and female in venturing in business activities, particularly those reported to have personal dreams of entrepreneurship. This category has rapidly joined hands together to achieve success in business and enterprise development (Morris, 2006).

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

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

Financial availability and accessibility is cited in many studies as being one of the major barriers and constraints to growth. In a study of NGOs and women small-scale entrepreneurs in the garment manufacturing sector of the textile industry in Nyeri and Nairobi by Macharia and Wanjiru (1998), the factors that inhibit credit availability to women include: lack of start-up (seed) capital; lack of awareness of existing credit schemes; high interest rates; lengthy and vigorous procedures for loan applications; and, lack of collateral security for finance. These factors have become a major barrier to the growth potential of businesses owned by women.

2.3 Theoretical Framework

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

Opportunities are created by the institutional or external environment for those entrepreneurs who could identify them to start or improve their businesses and subsequently, their welfare.

Entrepreneurs' ability to identify and tap such opportunities differs between entrepreneurs. It also depends on their ability to access information and willingness to act upon the information in terms of risk; that is their attitude (Shane, 2005). Individual attributes affect discovery of entrepreneurial opportunity. It is made up of psychological and demographic factors such as motives, attitude to risk, education and training, career experience, age and social status.

Changes in business environment such as economic, financial, political, legal, and socio-cultural factors also affect discovery of opportunity. For example, income level of the entrepreneur, capital availability, political stability, laws concerning private enterprise and property rights, and desire for enhanced social status by the entrepreneur could affect discovery of entrepreneurial opportunity, business setting also affect opportunity discovery. Industrial sectors such as distribution, manufacturing, agriculture, catering, and business services are more attractive to entrepreneurs (Brana, 2008); Evaluation of the identified opportunity is another stage in the entrepreneurial process, and appropriate decision at this stage leads to the decision to exploit the opportunity (Carter & Shaw, 2006). The decision to exploit the opportunity depends on the intention of the entrepreneur, and the appropriate measure of entrepreneurial decision-making is intention which leads to recognition of entrepreneurial opportunities. Exploitation of the opportunity depends on the entrepreneur's level of education, skills or knowledge acquired through work experience, social networks, credit, and cost-benefit analysis of the business (Shane, 2005)

Appropriate use of acquired resources through good business strategy and organizational design could lead to business performance (Brana, 2008; Koontz & Weihrich, 2006; Salman, 2009). Again, financial management theorists believe that funds could only be sourced to finance a predetermined project, business or contract (Van Horne, 1980). As such, micro-finance could only lead to business performance when there is the tendency to engage in new business or business expansion (Antoncic, 2006). Therefore, this study examines the mediating effect of opportunity for entrepreneurial activity on the relationship between credit and women entrepreneurs' performance because limited studies are available in this area (e.g. Tata & Prasad,

2008). Environment plays greater role in opportunity exploitation than individual attributes (Kuzilwa, 2005).

Promotion of women empowerment through capacity building has been viewed by many researchers as a key to combating poverty, hunger, disease, crisis and stimulating sustainable development and motivating women for involvement in economics development (Floro, 2001; Iheduru, 2002). Development of human capital among women is very important. Women have potentials to contribute creatively their skills and capabilities. Women skills and managerial styles often change the dynamics of their enterprise. However, this can only be possible when adequate time is given to ensure that women are well empowered through training, development, provision of resources and capacity building (Kardan, 1991).

Empowering women through education promotes gender equity, achievement of their potential for positive contributions to economic development. As mother of nation, a woman train today will help in preserving the nation tomorrow. Investing in the education of women as a long term economic development strategy helps in empowering women. As was rightly observed by Omotayo (2005), education is a human right and an essential tool for achieving gender equality, economic development and growth.

The discussion has spilled over into debates about motivating women into entrepreneurial theory venture. Findings revealed that women have less previous experience both on entrepreneurial role models and direct entrepreneurship experience. This has fueled debate over whether women are inherently "less entrepreneurial" than men, or whether their lesser access to entrepreneurial experience can be remedied by "lifting the barriers" as was listed by Gould and Perzen (1990) which prevent their participation in economic activities. Still a third alternative has been suggested: that peculiarly feminine approaches and motivation to entrepreneurship have tended to be obscured by 'male models of entrepreneurship' which have dominated research, and that women's approaches and motivation to establishing and growing businesses and entrepreneurial ventures need to be celebrated in their own right as was suggested by social feminism.

2.4 Performance of Women Entrepreneurs in Small Medium Enterprise

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

Due to the nature of women and the circumstances surrounding their entrepreneurial motivation, variables such as business net worth and outcome may be used in measuring their entrepreneurial performance. This was in line with the Bigoness's (2009) argument who reported that women had a stronger preference for jobs that offer opportunity for professional growth to jobs that offer opportunity for higher income. The relationship between women entrepreneurial motivation and their business performance, the work of Stoner and Fry (2002) offered a good insight on this. Their study found out that there is a positive relationship between the reasons why women start business and their business outcomes. In other words, the factors that motivate women into entrepreneurship has/have way(s) of affecting their performance in the business. For instance, the pursuit of financial independence as a factor that influences women into business can positively affect their performance in terms of quantifiable variables such as volumes of production, capacity utilization, growth rates, market share, niche market positions, return on assets, net worth, sales, dividend payouts, share price and profitability.

The measurement of business performance is also subject to the entrepreneurial motivational factors which might be pull or push and intrinsic or extrinsic (Ahuja & Lampert 2010; Ryan and Deci, 2009; Morris, 2006; Brunstein and Maier, 2005). The motivation is pull, push, intrinsic or extrinsic inclined, and the performance effect can be internally and/or externally measured. A woman can decided to start her own business because she was not given opportunity in her

former place of work to exhibit her leadership potential might measure her business performance in terms of growth in the business' profits and /or personal growth (self satisfaction). Also a woman who started business because of lack of opportunity to advance her career will measure her business performance in terms of the growth she experiences in her business profit and/ or career life. This is in line with Butter and Moore (1985) argument that women entrepreneurial motivation may be related to the way they measured performance in their own businesses.

2.5 Capacity Building Strategies

Capacity building refers to effort to generate knowledge, skills and expertise in order to enhance analytical capacity that may assist in increasing productivity and sustenance. Capacity building strategies help in determining the business's competitive advantages (Neill and Napier, 2006).

The extant literature and research contains definitions of SME entrepreneurial capacity building (ECB) and approaches to SME entrepreneurial capacity development and its relationship with stakeholders. Collins, Smith, & Hannon (2006) provide a fundamental definition of entrepreneurship on their research, aiming to describe and explore the use of synergistic learning methods in the delivery of an innovative pilot programme designed to teach entrepreneurship capacities. They define the term entrepreneurship as a pathway for entrepreneurs to take action in a situation or environment which is a holistic in approach.

The objective of entrepreneurship capacity building is to inculcate entrepreneurial behaviour in individuals. They are planned interventions aimed at the development of the need for achievement (Kristiansen, 1999). This is in accordance with the views by McClelland as well as by Hagen (in Kristiansen, 1999) that the need for achievement is at the centre of the entrepreneurship spirit and that it can be promoted. However, emphasis on stimulating the need for achievement in entrepreneurship development is not shared by everybody. For example, Ray (in Kristiansen, 1999) recommends more input of knowledge and practical skills than behaviour modification.

There is general agreement that an entrepreneurial career can be developed through entrepreneurial training (Swai & Rugumyamheto, 1997). Themba et al (1999) posit that an

entrepreneurial culture can be created through, among other things, practical oriented business courses and needs-specific training. They argue that education and training can “strengthen the need for achievement, alleviate fear of failure and enhance self-confidence”. Olomi (1999) asserts that desired entrepreneurial success factors can be learned through properly designed entrepreneurship development programmes. He also points out that there is a general agreement that having entrepreneurship education is positively associated with becoming self-employed. In this regard, O’Riordan et al (1997) stress the importance of formal education and business education for micro and small enterprise operators. In the same vein, Carr (in Kristiansen, 1999) sees education and training as key enabling resources for the sustainability of micro and small enterprises.

Writing about micro-level strategies for supporting livelihoods, employment and income generation for poor women in developing countries, McKee (1989) discusses the role of management training and technical assistance as a potentially powerful intervention for microenterprise development. She points out that the International Labour Organisation has promoted capacity building development programmes in the world using this approach while many non-governmental organisations have conducted business training for targeted women.

2.5.1 Training strategies

Human capacity building remains the main priority of Moshav (Moshav annual report, 2001). Highly extensive training programs targeting a variety of the population including field workers, senior decision makers, educators, principals, local and national education system supervisors, heads of municipality and regional departments, planners of study programs, senior educational administrators, lecturers and university staff (Moshav annual report, 2001). It specializes in adapting educational systems to meet the demand of developing economies. Moshav recognises the pivotal role of capacity building in the process of nation-building and state development by aiding the educational systems of developing countries to meet the challenges of technology in the 21st century (Moshav annual report, 2001). Women have limited access to vocational and technical training.

While highlighting the critical need for proper measures for training constructs, Kitching and Blackburn (2002) noted that the mismatch between firm practice and research focus is something that needs immediate attention. A broad definition of training includes any attempt, within or outside the organization, to increase job-related knowledge and skills of either managers or employees (Kitching and Blackburn, 2002).

Training in itself is a difficult concept to quantify, but Westhead (1998) believes that the practice of providing sweeping generalizations to cover a variety of cases that are in many ways dissimilar makes things even more confusing. Thus, unlike previous research, this study makes a clear distinction between formal and informal training practices. Formal training and development is defined as “initiatives which can be identified by both recipients and deliverers as an intervention which has a structured mode of delivery, where the aim is to impart new awareness or knowledge of a workplace process or activity” (Patton and Marlow, 2002). The study, thus, define informal training initiatives as ad-hoc, fragmented and flexible. Such initiatives depend on the environment of the organization, the nature of the task in hand, the propensity of individuals to learn, and lack a formal structure and stated objectives. Training practices in the study are defined against these criteria.

Pfeffer (1998) proposes that there is evidence demonstrating that effectively managed people can produce substantially enhanced economic performance. Pfeffer extracted from various studies, related literature, and personal observation and experience a set of seven dimensions that seem to characterize most if not all of the systems producing profits through people. He named them the seven practices of successful organizations and they are: employment security, selective hiring of new personnel, self-managed teams and decentralization of decision making as the basic principles of organizational design, comparatively high compensation contingent on organizational performance, extensive training, reduced status distinctions and barriers, including dress, language, office arrangements, and wage differences across levels, and extensive sharing of financial and performance information throughout the organization. From these, it is evident that training is an essential aspect of improved performance, and which is crucial in overall organizational effectiveness.

Shelton (2006) advised that in order to improve the survival and performance of women-owned ventures, programmes should be implemented to assist women in selecting appropriate work-family management strategies. If work-family conflict is addressed, a potential stumbling block for women business owners will be removed and the effectiveness of other programmes will be enhanced. Kock (2008) argued that many women want post-start-up support that is accessible after trying out the skills learned in earlier training. Mentoring is one method of providing this support, which can be very effective as it addresses the specific problems faced by the individual entrepreneur. The support can include individual as well as group-based assistance directed at specific problems where mentors serve as role models. Langowitz and Minniti (2007) found that women tend to perceive themselves and the entrepreneurial environment in a less favourable light than men. Programmes aiming to improve perceptions of aspiring women entrepreneurs may lead to higher rates of business start-up.

2.5.2 Networking Skills

Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth. Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information. Most existing networks are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive (Morris and Kuratko, 2002). Even when a woman does venture into these networks, her task is often difficult because most network activities take place after regular working hours. There are hardly any women-only or women-majority networks where a woman could enter, gain confidence and move further. Lack of networks also deprives women of awareness and exposure to good role models. Few women are invited to join trade missions or delegations, due to the combined invisibility of women-dominated sectors or subsectors and of women as individuals within any given sector. As an example of this, at a recent SME Trade Fair in a country in Asia where it has been estimated that women operate around half of all SMEs, less than 20 women were registered among the approximately 250 participants, and most of those were civil servants rather than businesswomen (Penrose, 1998).

Women's businesses are not well represented in industry, trade or business associations. Both the leadership and the membership of chambers of commerce, business, traders and industry associations tend to be dominated by men, and few women join or reach leadership positions in the mainstream business organizations. Although partly a reflection of the low number of women entrepreneurs, it means that the different needs of women entrepreneurs do not feed into policymaking through the lobbying and other activities of these organizations. Part of the reason for women's organizational invisibility is the difficulty of finding sufficient time to attend meetings as well as manage their families. However, business associations rarely consider such needs when scheduling meetings, and few business conferences or trade fairs provide childcare or children's programmes in order to facilitate the participation of businesswomen. It is interesting to note, on the other hand, that many business conferences, particularly in developed countries, do provide "spouse" programmes in order to accommodate the needs of businessmen to bring along their "non-working" wives (Pinchot and Pellman, 1999).

Many women's business organizations, such as the FLO in India and the BCCI in Bangladesh and Women's Chambers of Commerce and Industry (WCCI) in Pakistan have mushroomed in the region to fill this gap. However, in general, the mere existence of such organizations does not ensure voice and visibility for the women entrepreneurs. The organizations must provide needs-based services as per the client's needs as well as be effective and positive in the policy arena. Organizations must recognize that women are not homogenous and make sure that different voices of women entrepreneurs are heard. Many times the women's organizations may lack acceptance by and legitimacy in the government and may suffer from inadequate funding (Quinn and Zien, 1997).

2.5.3 Attitude towards Gender Equality

Overall, female representation in SMEs has increased over the past couple of decades, but there is clearly gender stratification remaining in the business structure. Perhaps the most notable difference is the continued numerical male dominance in the critical sector, where men still outnumber women by nearly 5:1 and 3:1 respectively, whereas in the health, education, and social security and welfare sections women are in the majority (Leung and Clegg, 2001). One of

the most important aspects of gender inequality is women's insufficient access to positions of decision-making power and authority in the ceiling. The most common way to measure this at the international level is women's share of the major occupational group consisting of legislators, senior officials, and managers (Anker, 2005). This has impacted on women's attitude towards gender equality and they tend to shun some enterprises that are deemed to be for men such as being a black smith or a cobbler.

Women have been an integral part of the evolution of organization. However the participation of women has been limited in the periphery of gender typing in work place. Throughout the 19th century women were type casted in certain roles namely, typists, secretaries, stenographers etc. Managerial positions were rarely open to women. They were mostly slotted in departments like personnel or women's affairs. In most companies, women were prohibited from the line jobs, that is positions that catered directly to clients and budget responsibilities from which promotions to higher grades were made. Women remained scantily represented in industries like engineering, mining, transportation and manufacturing (Crampton and Mishra, 1999).

Women have proved themselves competent but they are still under-represented in positions of SMEs. Women were able to identify certain gender-related hurdles. Most prominent was in coping with the dual responsibility and demands of family and business. Child bearing, child care and demands of husbands created problems which necessitate increased coping mechanisms. Also important in the corporate situation is the male negative attitude. This usually present a serious problem as men control power, this therefore necessitate women to prove themselves over and over again (Maddock and Parkin, 1993). Women and men have different work networks (Ibarra, 1992). For example, a study of bank managers found social capital to be more important to women's advancement in business than to lower levels of business management (Metz and Tharenou, 2001).

Women's networks tend to fulfill more social than utilitarian purposes when compared to men's networks (Vinnicombe and Colwill, 1995). Women exclusion from formal networks limits their ability to advance in business, for example obtaining seats on corporate boards of directors (Burke, 2000). The gender implication, that women are less predisposed to SMEs than men,

may have, they argue, to do with women's continuing disadvantaged position in local hierarchies and the fact that they have been more adversely affected than men in recent processes of change (Pratchett and Wingfield, 1996). Identifying the most effective way of removing or reducing the barriers women face, requires a number of initiatives (Brindley, 2005). Micro-financing and women's economic empowerment movements are gaining popular recognition as keys to peace and prosperity (Jordan, 2008). Mayoux (2000) argues that to maximise the contribution of micro-finance to women empowerment requires equity in access to all micro-financing. This however has not been achieved due to attitude held by both men and women concerning gender equity and unless this attitude is addressed, efforts to enhance performance and growth of women owned SMES will be doomed to fail.

The World Bank Group (IFC, 2007) shows that women often benefit more than men from business enabling environment reforms as their businesses tend to have more problems. To address this issue, the gender and growth assessment tool was developed in Uganda, Kenya, Tanzania and Ghana. The World Bank Group started the Gender Entrepreneurship Markets. Gender Entrepreneurship Markets aim to help better leverage the untapped potential of women in the emerging markets. Its activities are structured around three main goals, namely increasing access to finance for women, adding value to IFC investment projects and addressing gender barriers in the business-enabling environment.

2.5.4 Leadership strategy

The factor which determine women's participation or non participation in SMEs and decision-making position hinge on a number of variables amongst which are the socialization by their access to social resources such as leadership, knowledge and their strength of purpose to achieve success (Hewlett, 2002). Leadership is a major factor that influences the recruitment and upward mobility of women, to position of business top management and decision-making. The fact cannot be erased that top business levels jobs are neatly tied in with higher levels of leadership abilities and training. Most top women jobs need a very high level of qualification, thus only women who have the qualifications can apply in the first place (Brockbank and Airey, 1994). The curriculum offered in schools is also detrimental to women's entry to these executive top

management jobs. Historically, women's leadership ability was always geared towards domestic and reproductive roles. Girls were taught sewing and domestic sciences. Even when the curriculum was revised and diversified girls gently cajoled selecting arts and commercial subjects instead of science subjects (Melamed, 1996).

As Izraeli and Adler (1994) point out, despite women's investment in their own leadership abilities, their commitment to their management career, even today women hold no more than a small fraction of management posts. As Schein (1989) states categorically, in most countries "to think manager is to think male". What more, 50 per cent of women who attain management posts do so through personal contacts with men (Davidson and Cooper 1992), while many highly qualified women are completely excluded from the labour market, causing an extraordinary loss of talent (Hewlett, 2002). SMEs still have not developed sufficiently flexible policies to relieve women managers of the tension of having to combine family with work (Lewis, 1994). Finally, the combined effect of laws regarding employment and public education create a unique situation for women in most countries, again illustrating another restriction in the range of opportunities they perceive as available to them. Despite the enactment of legislations aimed at improving the status of working women, participants continued to believe that the governments have not been proactive enough in developing and supporting laws in regard to sexual harassment, equal employment opportunity, equal pay, as well as family-friendly laws (Gallos, 1989).

2.6 Conceptual Framework

A conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this. According to Bogdan and Biklen (2003) a conceptual Framework is a basic structure that consists of certain abstract blocks which represent the observational, the experiential and the analytical/synthetical aspects of a process or system being conceived. The interconnection of these blocks completes the framework expected outcomes. An independent variable is that variable which is presumed to affect or determine a dependent variable. It can be changed as required, and its values do not represent a problem requiring explanation in an analysis, but are taken simply as given (Dodge,

2003). The independent variables in this study are training and development, networking skills acquisition, attitudes towards gender inequality and leadership. A dependent variable is what is measured in the experiment and what is affected during the experiment. The dependent variable responds to the independent variable (Everitt, 2002). The dependent variable in this study is financial performance and growth of women owned SMES. Moreover, there are intervening variables that include taxation, inflation, interest rates, infrastructure, security and negative socio-cultural beliefs. Figure 1 presents the conceptual framework.

Independent variables

Intervening variables

Dependent variables

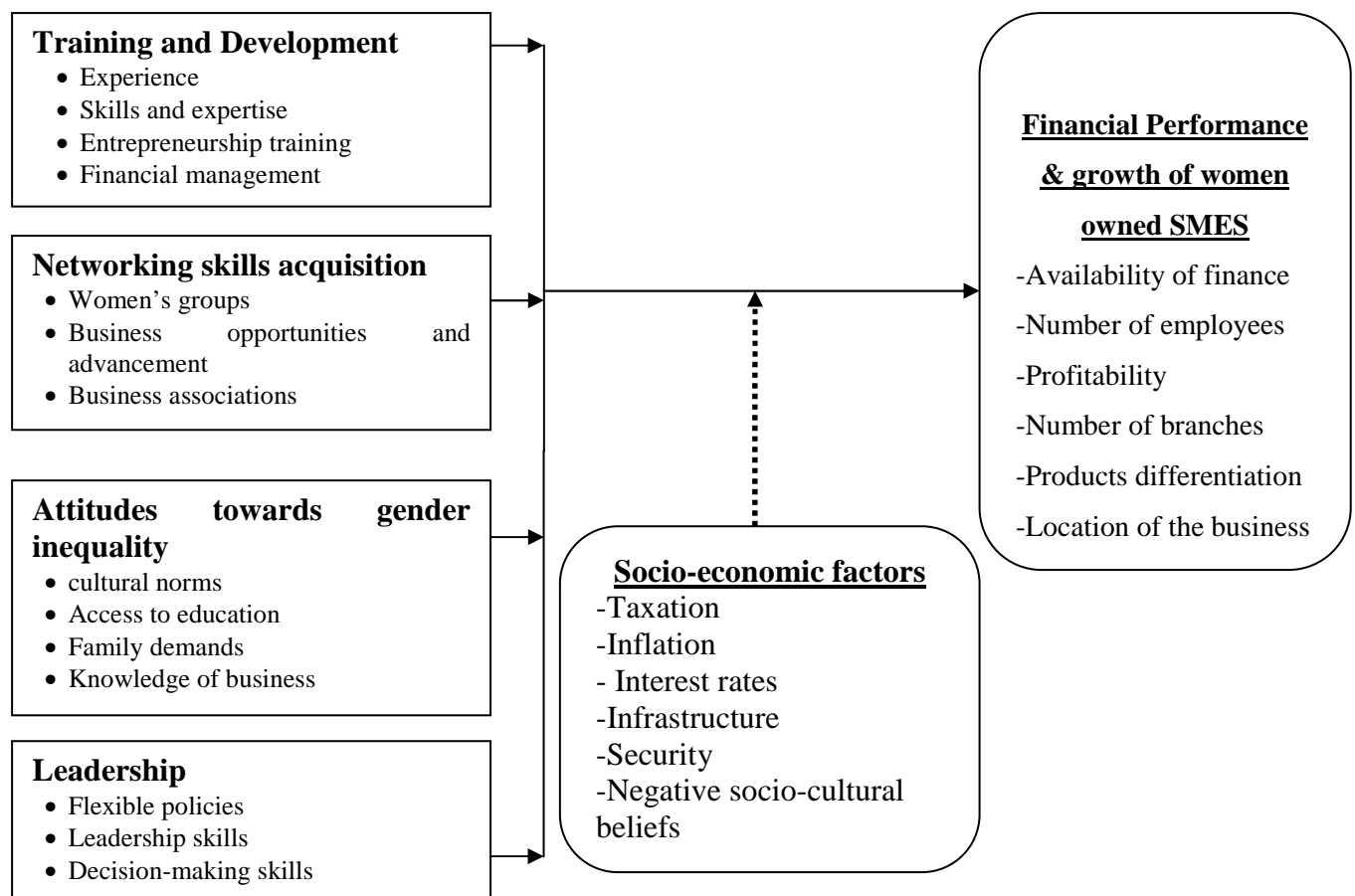


Figure 1: Conceptual Framework

2.6.1 Relationship between the variables

Training and development strategy: Formal training and development is defined as “initiatives which can be identified by both recipients and deliverers as an intervention which has a structured mode of delivery, where the aim is to impart new awareness or knowledge of a workplace process or activity” this involves the process of sharing knowledge and skills by individuals who are able to provide practical and proven instruction to meet work-related and personal challenges. The training gives tools and skills to analyse the challenges faced by the women entrepreneurs who in turn are able to find strategic solutions on the other hand, networking Skills as a strategy will enhance women entrepreneurs to operate as members of professional organizations or part of other networks to enhance access to information. There are hardly any women-only or women-majority networks where a woman could enter, gain confidence and move further. Networks will instill women of awareness and exposure to good role models.

Attitude towards Gender equality is mainly contributed by cultural norms, access to education, family demands and knowledge of the business. Although overall female representation in SMEs has increased over the past couple of decades, there is clearly gender stratification remaining in the business structure. The participation of women in relation to gender balance will enhance growth of women owned SMES. Leadership strategy entails knowledge and strength of purpose to achieve success in women’s investment in their own leadership abilities, and their commitment to management of their businesses. This strategy will aim at promoting women’s leadership attributes that will facilitate the growth of business. In addition, Economic factors (Taxation, Inflation, Interest rates and infrastructure are the moderating variables that will affect growth of women owned SMES irrespective of other variables.

2.7 Summary of the Literature Review

Many women entrepreneurs have to experience the troubling “assistance” of support agencies. Harassment in government departments, indifferent and discriminating attitude of officials of all small-scale industry related departments, such as taxation, labour, power, are some of the problems that women entrepreneurs have to deal with activities of the enterprise. The inability to keep proper records, to separate business operations from personal, manage cash flow and growth is most likely to affect business growth of SMEs. This study examines influence of capacity building on performance and growth of women owned SMEs in Gikomba Market; Nairobi county, Kenya. Women entrepreneurs face the problem of fixed capital in business. Suitable policies need to follow to allot plots/sheds for women entrepreneurs. It becomes more important due to sky rocketing prices of land and difficulty for the entrepreneurs to purchase plot/building to start their business and consequently have to pay high rent.

Small proportion of women entrepreneurs also faces problem of lack of coordination and problem relating to various other formalities. Agencies should also increase the awareness of their schemes among small and micro enterprises. Increase in awareness of these schemes can be more useful to these enterprises to avail various benefits. Micro and small enterprises constitute an important segment of the Kenyan economy. This sector has potential to generate gainful employment opportunities. This sector can assure equitable distribution of income and wealth, balance regional development and also act as nursery for the growth of entrepreneurship among population in general and women in particular.

Women are becoming increasingly important in the socio-economic development of both developed and developing economies as they own most of Small and Medium Enterprises. However, efforts to improve financial performance and growth of SMEs run by women remain futile partly due to lack of adequate knowledge by the concerned stakeholders on how capacity building impacts on financial performance and growth of women owned SMEs.

CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out the procedure that was followed in completing the study. It gives an outline of the collection, measurement and analysis of data. In this section the researcher identified the procedures and techniques that were used in the collection, processing and analysis of data. Specifically the following subsections are included; research design, target population, data collection instruments, data collection procedures and finally data analysis.

3.2 Research design

The research design of this research was a descriptive survey research. A descriptive survey research seeks to obtain information that describes existing phenomena by asking individuals about their perceptions, attitude, behaviour or values (Mugenda and Mugenda 2003). A descriptive study design was deemed the best design to the objectives of the study. A research design is the general plan of how one goes about answering the research question (Saunders, Lewis and Thornhill, 2000). This design was considered appropriate for the type of objective of this study as it enabled the researcher to describe the state of affairs as they exist without manipulation of variables which was the aim of the study.

3.3 Target Population

Ngechu (2004) defined a population as a well defined or set of people, services, elements, events, group of things or households that are being investigated. In this study the population of interest was women entrepreneurs at Gikomba Market in Nairobi. According to Standard Bank Group –Kenya SME Pilot Psychometric there are 5000 women owned enterprises in Gikomba market by year 2012. Mugenda and Mugenda, (2003) explain that the target population should have some observable characteristics, to which the researcher intends to generalize the results of the study. The study targeted women in groceries, clothes, shoes, Jua Kali, Hardware, carpentry businesses.

3.4. Sample size and Sampling Procedure

According to Krejcie, Robert V., Morgan, Daryle W. (1970). A population of 5,000 would require 357 sample size descriptive surveys. Therefore the study sought to gain information from 357 respondents of the target population of 5,000 women owned enterprises in Gikomba Market. The researcher employed proportionate, simple random sampling techniques in identifying a sample of 357 respondents from groceries, clothes, shoes, Jua Kali, Hardware, and carpentry businesses. The technique produced estimates of overall population parameters with greater precision. Cooper and Schindler (2000) state that the sample size is the selected element or subset of the population that is to be studied. To ensure that the sample accurately represents the population, Cooper and Schindler (2000) further recommend that the researcher must clearly define the characteristic of the population, determine the required sample size and choose the best method for selecting members of the sample from the larger population.

3.5 Research instruments

The researcher collected data using questionnaires. The questions in the questionnaires were both open ended and closed ended questions. The questionnaire was designed to collect qualitative and quantitative data. The questionnaires were given to the business owners of the women enterprises in Gikomba Market.

The questionnaire contained closed-ended question and also a few open ended. These types of questions were accompanied by a list of possible alternatives from which respondents were required to select the answer that best describes their situation. It was divided into 5 sections. Section A entailed profile of the respondents; section B entailed questions on the influence of training and development strategy; Section C entailed questions on the influence of networking skills development strategy; section D entailed questions on the influence of attitude towards gender equality while section E entailed questions on the influence of leadership strategy on performance and growth of women owned SMES in Gikomba market.

The questionnaires were administered using drop and pick method. The questionnaires were used because they allowed the respondents to give their responses in a free environment and helped

the researcher get information that would not have been given out had interviews been used. The questionnaires were self-administered to all the respondents.

3.5.1 Pilot study

A pilot study is a preliminary test conducted before the final study to ensure that research instruments are working properly. Prior to the main study, the researcher carried out a pilot study among 10 respondents. Mugenda & Mugenda, (2007) states that a relatively small sample of 10 to 20 respondents can be chosen from the population during piloting which is not included in the sample chosen for the main study.

3.5.2 Validity of research instruments

Validity indicates the degree to which an instrument measures what it is supposed to measure; the accuracy, soundness and effectiveness with which an instrument measures what it is intended to measure (Kothari, 2004) or the degree to which results obtained from the analysis of the data actually represent the phenomena under study (Mugenda & Mugenda, 2007). The validity of the questionnaire was established by the help of the supervisor and the panelists from the Department of Project Planning at University of Nairobi.

3.5.3 Reliability of research instruments

Reliability is a measure of the degree to which a research instrument yields consistent results after repeated trials (Nsubuga, 2000). The reliability of the instrument was estimated using Cronbach's Alpha Coefficient which is a measure of internal coefficient. A reliability of at least 0.70 at $\alpha=0.05$ significance level of confidence is acceptable (Gable and Wolf 1993). A coefficient of reliability of above 0.85 was obtained for each variable implying that the items had a strong relationship to the latent construct. From the findings, the Cronbach alpha values were higher above 0.5. Gable and Wolf (1993) suggested that Cronbach's coefficient of above 0.50 is acceptable as an internally consistent scale so that further analysis can be applied.

3.6 Data Collection Procedure

The study made use of primary data. Primary data was obtained from the women entrepreneurs using questionnaires. The researcher trained five research assistants on all issues pertaining to the data collection procedures and techniques before carrying out the study. A set of 357 questionnaires was issued to the respondents. The five research assistant helped the respondents to understand the questions and answer them correctly. Data collection took ten days.

3.7 Data Analysis

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

The data was then stored in paper and electronic storage and finally the researcher used the Statistical Package of Social Science (SPSS) to analyze the data. Data was presented through percentages, frequencies, means and standard deviations and the findings were displayed by use of tables and figures and while explanation be given in prose-form.

3.8 Ethical Consideration

Ethics are norms governing human conducts which have a significant impact on women welfare. It involves making a judgment about right and wrong behaviour. Bryman (2007) states that it is the responsibility of the researcher to carefully assess the possibility of harm to research participants, and the extent that it is possible; the possibility of harm should be minimized. The researcher recognized that the issue under study is sensitive because it involved the core business of the organization. Therefore, there was need to protect the identity of the respondents as much as possible. This meant that the questionnaires never required the respondent's names or details that may reveal their identity.

3.9 Operationalization plan

Table 3.1: Operationalization plan

| Objectives | Variables | Indicators | Measurement scale | Tools of Analysis | Specific Tool |
|--|--|---|---|--|---|
| To establish whether training and development strategy influences financial performance and growth of women owned SMES in Gikomba market | <p><u>Independent:</u></p> <p>Training strategy</p> <p><u>Dependent:</u></p> <p>Financial Performance and growth of women owned SMES</p> | <p>- Experience</p> <p>-Skills and expertise</p> <p>-Entrepreneurship training</p> <p>-Financial management</p> <p>-Number of employees</p> <p>-Profitability</p> <p>-Number of branches</p> <p>-Products differentiation</p> | <p>- Interval</p> <p>-Nominal</p> | Causal relationship | regression analysis |
| To investigate how networking skills strategy influences financial performance and growth of women owned SMES in Gikomba market. | <p><u>Independent:</u></p> <p>Networking skills</p> | <p>-Women's groups</p> <p>-Business opportunities and advancement</p> <p>-Business associations</p> | <p>-Interval</p> <p>-Nominal</p> <p>-Nominal</p> <p>-Interval</p> | Central Tendency Dispersion, and Causal relationship | Mean, standard deviation, and regression analysis |
| To examine whether attitudes towards gender equality strategy influences financial performance and growth of women owned SMES in Gikomba market. | <p><u>Independent:</u></p> <p>Attitudes towards gender inequality</p> | <p>-cultural norms</p> <p>-Access to education</p> <p>-Family demands</p> <p>-Knowledge of business</p> | <p>-Interval</p> <p>-Nominal</p> <p>-Nominal</p> | Central Tendency Dispersion, and Causal relationship | Mean, standard deviation, and regression analysis |
| To determine whether leadership strategy influences financial performance and growth of women owned SMES in Gikomba market . | <p><u>Independent:</u></p> <p>Leadership strategy</p> | <p>-Flexible policies</p> <p>-Leadership skills</p> <p>-Decision-making skills</p> | <p>-Interval</p> <p>-Interval</p> <p>-Interval</p> | Central Tendency Dispersion, and Causal relationship | Mean, standard deviation, and regression analysis |

CHAPTER FOUR:

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the data that was found on influence of capacity building on financial performance and growth of women owned SMEs in Gikomba Market; Nairobi County, Kenya. The research was conducted on sample size of 357 respondents out of which 250 respondents completed and returned the questionnaires duly filled in making a response rate of 70%.

Mugenda and Mugenda (1999) stated that a response rate of 50% and above is a good for statistical reporting. The study made use of frequencies (absolute and relative) on single response questions. On multiple response questions, the study used Likert scale in collecting and analyzing the data whereby a scale of 5 points were used in computing the means and standard deviations. These were then presented in tables, graphs and charts as appropriate with explanations being given in prose.

4.2 Demographic Information

The study initially sought to inquire information on various aspects of the respondents' background, i.e. the respondent's age and academic background. This information aimed at testing the appropriateness of the respondent in answering the questions regarding the influence of capacity building on financial performance and growth of women owned SMEs.

4.2.1 Respondents' distribution by Age

The study sought to establish the age of the respondents and the findings are as shown in table 4.2 below.

Table 4.2: Respondents' distribution by Age

| | Frequency | Percentage |
|--------------------|------------------|-------------------|
| Above 18 years | 0 | 0 |
| 18-25 years | 12 | 4.8 |
| 26-35 years | 80 | 32 |
| 36-45 years | 110 | 44 |
| 46-55 years | 28 | 11.2 |
| 55 years and above | 20 | 8 |
| Total | 250 | 100 |

According to the findings, 44% of the respondents were 36-45 years old, 32% were 26-35 years old, 11% were 46-55 years while 8% were 55 years and above. This depicts that majority of the women owned SMEs were operated by young and energetic women aged 26 to 45 years.

4.2.2 Respondents' age when starting business

The study also sought to establish the age of the respondents at the time that they were starting the businesses. The findings are as shown in Table 4.3 below.

Table 4.3 Respondents' age when starting business

| | Frequency | Percentage |
|--------------------|------------------|-------------------|
| Below 18 years | 0 | 0 |
| 18-25 years | 30 | 12 |
| 26-35 years | 140 | 56 |
| 36-45 years | 75 | 30 |
| 46-55 years | 5 | 2 |
| 55 years and above | 0 | 0 |
| Total | 250 | 100 |

Based on the findings, 56% of the respondents were 26-35 years when they started their businesses, 30% were 36-45 years old while 12% were 18-25 years old when they started their businesses. This illustrates that the majority of the women started their SMEs at an early age of 26-35 years and therefore had accumulated a lot of business knowledge and skills over time.

4.2.3 Respondents' educational background

The respondents were asked to state their highest level of education that they had acquired and the findings are as shown in Table 4.4 below.

Table 4.4: Respondents' educational background

| | Frequency | Percentage |
|------------------------------|------------------|-------------------|
| Primary level of education | 38 | 15.2 |
| Secondary level of education | 95 | 38 |
| Diploma or certificate | 75 | 30 |
| Degree | 25 | 10 |
| Masters | 17 | 6.8 |
| Total | 250 | 100 |

According to the findings, most of the respondents (38%) had attained Secondary level of education, 30% were diploma or certificate holders, 15% had attained primary level of education while 10% were degree holders. This information shows that the respondents had a sound academic background as they had attained secondary level of education to be able to run their businesses competently.

4.3 Training and development strategy and performance and growth of women owned SMES

The first objective of the study was to establish whether training and development strategy influences performance and growth of women owned SMES in Gikomba market.

4.3.1 Attending Training and Development on Entrepreneurship

The research further sought to establish whether the respondent had ever attended any form of training and development on entrepreneurship.

Table 4.5: Attending Training and Development on Entrepreneurship

| | Frequency | Percentage |
|--------------|------------|------------|
| Yes | 55 | 22 |
| No | 195 | 78 |
| Total | 250 | 100 |

The response tabulated above show that majority of the respondents (78%) had never attended any form of training and development on entrepreneurship. Only 22% of the respondents attested attending training on entrepreneurship. The findings imply that majority of the women owned SMEs in Gikomba Market were run on trial and error basis as majority of the owners had never received training and development on entrepreneurship.

4.3.2 Training Areas on Entrepreneurship

The study also sought to determine the kind of entrepreneurship training that the respondents had acquired.

Table 4.6: Training Areas on Entrepreneurship

| | Percentage |
|---|------------|
| Sales and marketing | 24 |
| Business planning | 20 |
| Financial management and accountability | 15 |
| Other areas | 41 |
| Total | 100 |

Among the respondents who participated in training on entrepreneurship, 24% were trained on sales and marketing, 20% on business planning while 15% were trained in financial management and accountability. The findings points to the fact that training on entrepreneurship was critical in enhancing financial performance and growth of women owned SMEs. However majority of the SMEs owners lacked expertise in sales and marketing, business plans financial management and accountability as they never underwent any training on entrepreneurship.

4.3.3 Entrepreneurship Training and Improvement of Business Performance

The study further inquired on the extent to which the training that respondents had participated in assisted them in improving the performance of their business.

Table 4.7: Entrepreneurship Training and Improvement of Business Performance

| | Frequency | Percentage |
|------------------------|------------------|-------------------|
| To a very great extent | 80 | 32 |
| To a great extent | 140 | 56 |
| To a moderate extent | 20 | 8 |
| To a low extent | 10 | 4 |
| Total | 250 | 100 |

The majority of the respondents (56%) indicated that training assisted them in improving the performance of their business to a great extent, 32% to a very great extent, 8% to a moderate extent while 4% indicated that training assisted them in improving the performance of their business to a low extent. This illustrates that training on entrepreneurship helped in improving the performance of SMEs to a great extent.

4.3.4 Training and development strategy and performance and growth of women owned SMES

In order to further assess whether training and development strategy influence performance and growth of women owned SMES in Gikomba market, the respondents were requested to indicate

their level of agreement on relevant statements on training and development strategy. The responses were rated on a five point Likert scale where: 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent. The mean and standard deviations were generated from SPSS and are as illustrated in Table 4.8.

Table 4.8 Training and development strategy and performance and growth of women owned SMES

| | Mean | Std Dev |
|---|------|---------|
| Through training, women entrepreneurs have acquired skills on how to better manage their businesses | 3.46 | 1.05 |
| To improve the survival and performance of women-owned ventures, programmes should be implemented to assist women in selecting appropriate work-family management strategies. | 3.10 | 1.18 |
| women want post-start-up support that is accessible after trying out the skills learned in earlier training | 4.40 | 0.76 |
| Programmes aiming to improve perceptions of aspiring women entrepreneurs may lead to higher rates of business start-up | 3.92 | 4.32 |

According to the findings, majority of the respondents agreed that; women want post-start-up support that is accessible after trying out the skills learned in earlier training (Mean=4.40); programmes aiming to improve perceptions of aspiring women entrepreneurs may lead to higher rates of business start-up (Mean=3.92); through training, women entrepreneurs have acquired skills on how to better manage their businesses (Mean=3.46) and to improve the survival and performance of women-owned ventures, programmes should be implemented to assist women in selecting appropriate work-family management strategies (Mean=3.10) respectively. The findings illustrate that training and development strategy influences performance and growth of women owned SMES significantly. The training and development strategy ensures that women get post-start-up support after trying out the skills learned in earlier training, programmes aiming to improve perceptions of aspiring women entrepreneurs lead to higher rates of business start-up

and that through training, women entrepreneurs acquire skills on how to better manage their businesses.

4.4 Networking skills development strategy and performance and growth of women owned SMES

The second objective of the study was to investigate whether networking skills development strategy influences performance and growth of women owned SMES in Gikomba market.

4.4.1 Membership of social network/social groups related to the running of business

The research further sought to establish whether the respondent was a member of a social network/social groups related to the running of their business.

Table 4.9: Membership of social network/social groups related to the running of business

| | Frequency | Percentage |
|--------------|------------------|-------------------|
| Yes | 220 | 88 |
| No | 30 | 12 |
| Total | 250 | 100 |

From the findings, majority (88%) of the respondents indicated that they were member of a social network/social groups related to the running of their business. Only 12% of the respondents were not member of any social network/social groups related to the running of their business. This depicts that the social network were vital in enhancing networking skills development strategy influences performance and growth of women owned SMES.

4.4.2 Social network/social groups and Improving Performance of Business

The study further inquired on the extent to which being a member of a social network/social groups assisted the respondent in improving the performance of their business.

Table 4.10: Social network/social groups and Improving Performance of Business

| | Frequency | Percentage |
|------------------------|------------------|-------------------|
| To a very great extent | 38 | 15.2 |
| To a great extent | 90 | 36 |
| To a moderate extent | 110 | 44 |
| To a low extent | 12 | 4.8 |
| Total | 250 | 100 |

The highest number of the respondents (44%) indicated that being a member of a social network/social groups assisted in improving the performance of business to a moderate extent, 36% to a great extent while 15% indicated that being a member of a social network/social groups assisted in improving the performance of business to a very great extent. This illustrates that networking skills development strategy influences performance and growth of women owned SMES to a great extent.

4.4.3 Networking skills development strategy and performance and growth of women owned SMES

In order to find out how networking skills influences performance and growth of women owned SMES in Gikomba market, the respondents were requested to indicate their level of agreement on relevant statements on networking. The responses were rated on a five point Likert scale where: 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent. The mean and standard deviations were generated from SPSS and are as illustrated in Table 4.11.

Table 4.11 Networking skills development strategy and performance and growth of women owned SMES

| | Mean | Std Dev |
|---|-------------|----------------|
| Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power | 3.15 | 1.37 |
| Social networks helps women to access more information on ways to enhance their business | 3.16 | 1.40 |
| The social networks assist women with startup capital | 4.40 | 0.76 |
| Lack of networks also deprives women of awareness and exposure to good role models | 4.26 | 0.97 |
| Women's businesses are not well represented in industry, trade or business associations | 4.18 | 0.85 |

From the findings, the majority of the respondents agreed that; the social networks assist women with startup capital (Mean=4.40), lack of networks also deprives women of awareness and exposure to good role models (Mean=4.26), women's businesses are not well represented in industry, trade or business associations (Mean=4.18), social networks helps women to access more information on ways to enhance their business (Mean=3.16) and that women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power (Mean=3.15) respectively. This implies that networking skills development strategy was a key strategy required to enhance the performance and growth of women owned SMES. The networking skills development strategy was particularly important in helping the women in raising the start-up capital, increased women's awareness and exposure to good role

models in business circles and assisted women to be well represented in SME sector. This areas give the women owned SMEs a competitive edge in the sector.

4.5 Attitude towards gender equality and performance and growth of women owned SMES

The third objective of the study was to examine whether attitude towards gender equality influences performance and growth of women owned SMES in Gikomba market.

4.5.1 Attending gender sensitization forums and ways to become better entrepreneurs

The research further sought to establish whether the respondent had attended a forum where women were gender sensitized and taught ways to become better entrepreneurs.

Table 4.12: Attending gender sensitization forums and ways to become better entrepreneurs

| | Frequency | Percentage |
|--------------|------------------|-------------------|
| Yes | 140 | 56 |
| No | 110 | 44 |
| Total | 250 | 100 |

From the findings, majority (56%) of the respondents indicated that they had attended forum where women were gender sensitized and taught ways to become better entrepreneurs. Only 44% of the respondents had never attended these forums. This depicts that majority of the women entrepreneurs were empowered in managing their businesses through the various empowerment forums that they attended. This helped the women to better manage their SMEs, improve their profitability and embrace product differentiation.

4.5.2 Gender sensitization in improving performance of business

The study further inquired on the extent to which the gender sensitization assisted the respondent in improving the performance of their business.

Table 4.13: Gender sensitization in improving performance of business

| | Frequency | Percentage |
|------------------------|------------------|-------------------|
| To a very great extent | 5 | 2 |
| To a great extent | 55 | 22 |
| To a moderate extent | 170 | 68 |
| To a low extent | 20 | 8 |
| Total | 250 | 100 |

Based on the findings, the majority of the respondents (68%) indicated that gender sensitization enhanced performance of their business to a moderate extent, 22% to a great extent while 8% indicated that gender sensitization assisted them in improving the performance of their business to a low extent. This illustrates that attitude towards gender equality influenced performance and growth of women owned SMES to a moderate extent.

4.5.3 Attitude towards gender equality and performance and growth of women owned SMES

In order to examine whether attitude towards gender equality influences performance and growth of women owned SMES in Gikomba market, the respondents were requested to indicate their level of agreement on relevant statements on attitude towards gender equality. The responses were rated on a five point Likert scale where: 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent. The mean and standard deviations were generated from SPSS and are as illustrated in Table 4.14.

Table 4.14 Attitude towards gender equality and performance and growth of women owned SMES

| | Mean | Std Dev |
|--|-------------|----------------|
| Women on average have less access to education than men, and technical and vocational skills | 3.69 | 1.06 |
| gender inequality is shown by women's insufficient access to positions of decision-making power and authority in the ceiling | 4.01 | 0.95 |
| Women are able to cope with the dual responsibility and demands of family and business | 2.50 | 0.86 |
| Women exclusion from formal networks limits their ability to advance in business | 3.9 | 0.81 |

From the findings, the majority of the respondents agreed that; gender inequality is shown by women's insufficient access to positions of decision-making power and authority in the ceiling (Mean=4.01), women exclusion from formal networks limits their ability to advance in business (Mean=3.89), women on average have less access to education than men, and technical and vocational skills (Mean=3.70) and that women are able to cope with the dual responsibility and demands of family and business (Mean=2.50) respectively. The findings shows that attitude towards gender equality influenced performance and growth of women owned SMES since women entrepreneurs had limited access to decision making positions and formal networks in the SMEs sector. Therefore the women were at a disadvantaged position as compared to their male counterparts in the SMEs sector.

4.6 Leadership strategy and performance and growth of women owned SMES

The fourth objective of the study was to determine how leadership strategy influences performance and growth of women owned SMES in Gikomba market.

4.6.1 Training on leadership related to business

The research further sought to establish whether the respondent had ever been trained on leadership to be a better manager of their business.

Table 4.15: Training on leadership related to business

| | Frequency | Percentage |
|--------------|------------------|-------------------|
| Yes | 190 | 24 |
| No | 60 | 76 |
| Total | 250 | 100 |

From the findings, majority (76%) of the respondents indicated that they had never been trained on leadership to be a better manager of their business. Only 24% of the respondents attested to being trained on leadership to be a better manager of their business. Therefore majority of the women entrepreneurs lacked critical leadership skills in managing their SMEs which slowed down the growth of women owned SMEs as they had never attended leadership training.

4.6.2 Training on leadership in improving performance of business

The study further inquired on the extent to which the training on leadership that respondents received assisted them in improving the performance of their business.

Table 4.16: Training on leadership in improving performance of business

| | Frequency | Percentage |
|------------------------|------------|------------|
| To a very great extent | 20 | 8 |
| To a great extent | 80 | 32 |
| To a moderate extent | 113 | 45.2 |
| To a low extent | 33 | 13.2 |
| To a very low extent | 5 | 1.6 |
| Total | 250 | 100 |

Based on the findings, 45% of the respondents training on leadership assisted them in improving the performance of their business to a moderate extent, 32% to a great extent, 13% to a low extent while 8% of the respondents training on leadership assisted them in improving the performance of their business to a very great extent. This illustrates that leadership strategy influences performance and growth of women owned SMES to a moderate extent.

4.6.3 Leadership strategy and performance and growth of women owned SMES

In order to further determine how leadership strategy influences performance and growth of women owned SMES in Gikomba Market, the respondents were requested to indicate their level of agreement on relevant statements on leadership strategy. The responses were rated on a five point Likert scale where: 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent. The mean and standard deviations were generated from SPSS and are as illustrated in Table 4.17.

Table 4.17 Leadership strategy and performance and growth of women owned SMES

| | Mean | Std Dev |
|---|-------------|----------------|
| By gaining leadership skills women are better placed to manage their SMEs | 4.57 | 0.77 |
| leadership is a major factor that influences the recruitment and upward mobility of women, to position of business top management and decision-making | 4.38 | 0.68 |
| SMEs still have not developed sufficiently flexible policies to relieve women managers of the tension of having to combine family with work | 4.00 | 1.23 |
| the governments have not been proactive enough in developing and supporting laws in regard to sexual harassment, equal employment opportunity, equal pay, as well as family-friendly laws | 3.88 | 0.68 |

From the study findings, the majority of the respondents agreed that; by gaining leadership skills women are better placed to manage their SMEs (Mean=4.57), leadership is a major factor that influences the recruitment and upward mobility of women, to position of business top management and decision-making (Mean=4.37), SMEs still have not developed sufficiently flexible policies to relieve women managers of the tension of having to combine family with work (Mean=4.00) and that the governments have not been proactive enough in developing and supporting laws in regard to sexual harassment, equal employment opportunity, equal pay, as well as family-friendly laws (Mean=3.88) respectively. The findings show that leadership strategy was critical in enhancing the performance and growth of women owned SMES. The leadership strategy enhanced the business management as well as led to recruitment and upward mobility of women to position of business top management and decision-making.

4.7 Inferential Statistics

The study further applied general Linear Model to determine the predictive power of the capacity building strategies on financial performance and growth of women owned SMES in Gikomba market. This included regression analysis, the Model, Analysis of Variance and coefficient of determination.

4.7.1 Regression Analysis

In addition, the researcher conducted a multiple regression analysis so as to test relationship among variables (independent) on the financial performance and growth of women owned SMES. The researcher applied the statistical package for social sciences (SPSS V 17.0) to code, enter and compute the measurements of the multiple regressions for the study.

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (financial performance and growth of women owned SMES) that is explained by all the four independent variables (training and development strategy, leadership strategy, networking skills development strategy and gender equality strategy).

4.7.2 Model Summary

Table 4.18 Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1 | 0.919 | 0.845 | 0.789 | 0.6273 |

The four independent variables that were studied, explain only 84.5% of the financial performance and growth of women owned SMES as represented by the R^2 . This therefore means that other factors not studied in this research contribute 15.5% of the financial performance and

growth of women owned SMES. Therefore, further research should be conducted to investigate the other factors (15.5%) that affect financial performance and growth of women owned SMES in Gikomba Market.

4.7.3 ANOVA Results

Table 4.19 ANOVA of the Regression

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|--------------|------------|-----------------------|------------|--------------------|----------|-------------------|
| 1 | Regression | 2.534 | 50 | 1.267 | 9.475 | .000 ^a |
| | Residual | 9.307 | 200 | 2.327 | | |
| Total | | 11.841 | 250 | | | |

The significance value is 0.000 which is less than 0.05 thus the model is statistically significant in predicting how training and development strategy, leadership strategy, networking skills development strategy and attitude towards gender equality strategy affect the financial performance and growth of women owned SMES in Gikomba Market. The F critical at 5% level of significance was 3.23. Since F calculated is greater than the F critical (value = 9.475), this shows that the overall model was significant.

4.7.4 Coefficient of determination

Table 4.20 Coefficient of determination

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--|-----------------------------|------------|---------------------------|-------|-------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.147 | 0.2235 | | 5.132 | 0.000 |
| | Training and development strategy | 0.752 | 0.1032 | 0.1032 | 7.287 | .000 |
| | Networking skills development strategy | 0.487 | 0.3425 | 0.1425 | 3.418 | .000 |
| | Leadership strategy | 0.545 | 0.2178 | 0.1178 | 4.626 | .000 |
| | Attitudes towards gender equality strategy | 0.439 | 0.1937 | 0.0937 | 4.685 | .000 |

Multiple regression analysis was conducted as to determine the relationship between financial performance and growth of women owned SMES and the four variables. As per the SPSS generated table below, regression equation

$(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon)$ becomes:

$(Y = 1.147 + 0.752X_1 + 0.487X_2 + 0.545X_3 + 0.439X_4)$

According to the regression equation established, taking all factors into account (training and development strategy, leadership strategy, networking skills development strategy and attitude

towards gender equality strategy) constant at zero, financial performance and growth of women owned SMES will be 1.147. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in training and development strategy will lead to a 0.752 increase in financial performance and growth of women owned SMES; a unit increase in networking skills development strategy will lead to a 0.487 increase in financial performance and growth of women owned SMES, a unit increase in leadership strategy will lead to a 0.545 increase in financial performance and growth of women owned SMES, while a unit increase in gender equality strategy will lead to a 0.439 increase in financial performance and growth of women owned SMES.

This infers that training and development strategy contribute most to the financial performance and growth of women owned SMES followed by leadership strategy. At 5% level of significance and 95% level of confidence, training and development strategy, networking skills development strategy, leadership strategy and gender equality strategy were all significant, capacity building strategies in financial performance and growth of women owned SMES.

4.8 Variable analysis

The results of regression analysis were interpreted based on the following;

β = A measure of how strongly each independent variable influences the dependent variable.

t= statistic is the *coefficient* divided by its *standard error*

p = determined by t statistic, is the probability of getting a result as extreme as the one you are getting in a collection of random data in which the variable have no effect.

4.8.1 Training and development strategy and its influence on financial performance and growth of women owned SMES in Gikomba market.

The analysis of training and development strategy was done through descriptive and regression analysis. The majority of the respondents (56%) indicated that training assisted them in improving the performance of their business to a great extent. The regression analysis showed that training and development strategy had a positive and significant effect on financial performance and growth of women owned SMES. The findings were supported by these statistics which gave, $\beta = 0.752$, $t = 7.287$, and $p < 0.000$.

4.8.2 Networking skills strategy and its influence on financial performance and growth of women owned SMES in Gikomba market.

The analysis on this variable was conducted through descriptive and regression analysis. From the findings, majority (88%) of the respondents indicated that they were member of a social network/social groups related to the running of their business. The regression analysis showed that the networking skills strategy influence financial performance and growth of women owned SMES. This was supported by the statistics from the regression analysis, $\beta = 0.487$, $t = 3.418$, and $p < 0.000$.

4.8.3 Attitudes towards gender equality strategy and its influence on financial performance and growth of women owned SMES in Gikomba market.

The analysis on this variable was conducted through descriptive and regression analysis. From the findings, majority (56%) of the respondents indicated that they had attended forum where women were empowered on ways to become better entrepreneurs. These finds were supported by regression analysis results which showed that attitudes towards gender equality strategy influence financial performance and growth of women owned SMES in Gikomba market. The findings were supported by these statistics showing that, $\beta = 0.439$, $t = 4.685$, and $p < 0.000$.

4.8.4 Leadership strategy and its influence on financial performance and growth of women owned SMES in Gikomba market.

From the findings, over 50% of the respondents indicated that leadership strategy influences performance and growth of women owned SMES. In addition regression results indicated that leadership strategy influences financial performance and growth of women owned SMES. The findings were supported by statistics, $\beta = 0.545$, $t = 4.626$, and $p < 0.000$.

CHAPTER FIVE

SUMMARY OF FINDING,DISCUSSIONS,CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary, conclusion and recommendations on the influence of capacity building on financial performance and growth of women owned SMEs in Gikomba Market; Nairobi County, Kenya.

5.2 Summary

5.2.1 Training and development strategy and performance and growth of women owned SMES

The study established that the majority of the respondents (78%) had never attended any form of training on entrepreneurship and only 22% had attended training on entrepreneurship. Thus majority of the women owned SMEs in Gikomba Market were run on trial and error basis as majority of the owners had never received training and development on entrepreneurship. This slowed the rate of growth of the women owned SMEs in Gikomba Market. From the women who attended training on entrepreneurship, 24% were trained on sales and marketing, 20% on business planning while 15% were trained in financial management and accountability. The findings points to the fact that training on entrepreneurship was critical in enhancing financial performance and growth of women owned SMEs. However, the fact that majority of the SMEs owners had not been trained on entrepreneurship; they lacked expertise in sales and marketing, business planning, financial management and accountability. This is likely to explain the poor performance of the women owned SMEs in the highly competitive sector with high influx of new entrants. Training and development strategy helped in improving the performance of SMEs to a great extent.

The study also revealed that majority of the respondents pointed out that; women want post-start-up support that is accessible after trying out the skills learned in earlier training (Mean=4.4082); programmes aiming to improve perceptions of aspiring women entrepreneurs may lead to higher

rates of business start-up (Mean=3.9286); through training, women entrepreneurs have acquired skills on how to better manage their businesses (Mean=3.4694) and to improve the survival and performance of women-owned ventures, programmes should be implemented to assist women in selecting appropriate work-family management strategies (Mean=3.1027) respectively.

Therefore training and development strategy influences performance and growth of women owned SMES significantly. The training and development strategy ensures that women get post-start-up support after trying out the skills learned in earlier training, programmes aiming to improve perceptions of aspiring women entrepreneurs lead to higher rates of business start-up and that through training, women entrepreneurs acquire skills on how to better manage their businesses.

5.2.2 Networking skills development strategy and performance and growth of women owned SMES

The study established that majority (88%) of the respondents were members of a social network/social groups related to the running of their business and therefore the social networks were vital in enhancing networking skills development strategy which in turn influences performance and growth of women owned SMES. It plays a great role in mentoring the respondents. Forty (44%) indicated that being a member of a social network/social groups assisted in improving the performance of business to a moderate extent, 36% to a great extent while 15% indicated that being a member of a social network/social groups assisted in improving the performance of business to a very great extent. Therefore, networking skills development strategy influenced performance and growth of women owned SMES to a great extent. The networking skills development strategy was a key strategy required to enhance the performance and growth of women owned SMES.

In addition, the study established that according to the majority of the respondents; the social networks assist women with startup capital (Mean=4.4082), lack of networks also deprives women of awareness and exposure to good role models (Mean=4.2653), women's businesses are not well represented in industry, trade or business associations (Mean=4.1837), social networks

helps women to access more information on ways to enhance their business (Mean=3.16) and that women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power (Mean=3.15) respectively. Thus the networking skills development strategy was particularly important in helping the women in raising the start-up capital, increased women's awareness and exposure to good role models in business circles and assisted women to be well represented in SME sector. These areas give the women owned SMEs a competitive edge in the sector.

5.2.3 Attitude towards gender equality and performance and growth of women owned SMES

The study established that majority (56%) of the respondents had attended forum where women were empowered on ways to become better entrepreneurs. Thus majority of the women entrepreneurs were empowered in managing their businesses through the various empowerment forums that they attended. This helped the women to better manage their SMEs and improve their profitability. The majority of the respondents (68%) indicated that women empowerment assisted the respondent in improving the performance of their business to a moderate extent, 22% to a great extent while 8% indicated that women empowerment assisted the respondent in improving the performance of their business to a low extent. Thus the attitude towards gender equality influenced performance and growth of women owned SMES to a moderate extent.

The majority of the respondents pointed out that gender inequality is shown by women's insufficient access to positions of decision-making power and authority in the ceiling (Mean=4.01), women exclusion from formal networks limits their ability to advance in business (Mean=3.88) women on average have less access to education than men, and technical and vocational skills (Mean=3.69) and that women are able to cope with the dual responsibility and demands of family and business (Mean=2.50)respectively. Therefore, attitude towards gender equality influenced performance and growth of women owned SMES since women entrepreneurs had limited access to decision making positions and formal networks in the SMEs sector. The women were at a disadvantaged position as compared to their male counterparts in the SMEs sector.

5.2.4 Leadership strategy and performance and growth of women owned SMES

The study established that the majority (76%) of the respondents had never been trained on leadership to be a better manager of their business. Therefore majority of the women entrepreneurs lacked critical leadership skills in managing their SMEs which slowed down the growth of women owned SMEs as they had never attended leadership training. Forty five (45%) of the respondents indicated that training on leadership assisted them in improving the performance of their business to a moderate extent, 32% to a great extent, 13% to a low extent while 8% of the respondents training on leadership assisted them in improving the performance of their business to a very great extent. Thus, the leadership strategy influenced performance and growth of women owned SMES to a moderate extent.

The study also established that according to the majority of the respondents; by gaining leadership skills women were better placed to manage their SMEs (Mean=4.57), leadership is a major factor that influences the recruitment and upward mobility of women, to position of business top management and decision-making (Mean=4.37), SMEs still have not developed sufficiently flexible policies to relieve women managers of the tension of having to combine family with work (Mean=4.00) and that the governments have not been proactive enough in developing and supporting laws in regard to sexual harassment, equal employment opportunity, equal pay, as well as family-friendly laws (Mean=3.87) respectively. Therefore leadership strategy was critical in enhancing the performance and growth of women owned SMES. The leadership strategy enhanced the business management as well as led to recruitment and upward mobility of women to position of business top management and decision-making.

According to the regression analysis, the study revealed that taking all factors into account (training and development strategy, leadership strategy, networking skills development strategy and gender equality strategy) constant at zero, financial performance and growth of women owned SMES will be 1.15. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in training and development strategy will lead to a 0.752 increase in financial performance and growth of women owned SMES; a unit increase in networking skills development strategy will lead to a 0.487 increase in financial performance and

growth of women owned SMES, a unit increase in leadership strategy will lead to a 0.54 increase in financial performance and growth of women owned SMES, while a unit increase in gender equality strategy will lead to a 0.43 increase in financial performance and growth of women owned SMES.

This infers that training and development strategy contribute most to the financial performance and growth of women owned SMES followed by leadership strategy. At 5% level of significance and 95% level of confidence, training and development strategy had a 0.0192 level of significance, networking skills development strategy showed a 0.0269 level of significance, leadership strategy showed a 0.0251 level of significance, while gender equality strategy showed a 0.0454 level of significance, hence the most significant capacity building strategy is training and development strategy while the least significant is gender equality strategy.

5.3 Conclusions

5.3.1 Training and development strategy and performance and growth of women owned SMES

The study concluded that majority of the respondents (78%) had never attended any form of training on entrepreneurship and only 22% had attended training on entrepreneurship. Thus majority of the women owned SMEs in Gikomba Market were run on trial and error basis as majority of the owners had never received training and development on entrepreneurship. This slowed the rate of growth of the women owned SMEs in Gikomba Market. From the women who attended training on entrepreneurship, 24% were trained on sales and marketing, 20% on business planning while 15% were trained in financial management and accountability. The findings points to the fact that training on entrepreneurship was critical in enhancing financial performance and growth of women owned SMEs. However, the fact that majority of the SMEs owners had not been trained on entrepreneurship; they lacked expertise in sales and marketing, business planning, financial management and accountability. This is likely to explain the poor performance of the women owned SMEs in the highly competitive sector with high influx of new entrants. Training and development strategy helped in improving the performance of SMEs to a great extent.

The study also concluded that training and development strategy influences performance and growth of women owned SMES significantly. The training and development strategy ensures that women get post-start-up support after trying out the skills learned in earlier training, programmes aiming to improve perceptions of aspiring women entrepreneurs lead to higher rates of business start-up and that through training, women entrepreneurs acquire skills on how to better manage their businesses.

5.3.2 Networking skills development strategy and performance and growth of women owned SMES

The study concluded that the majority (88%) of the respondents were member of any social network/social groups related to the running of their business and therefore the social network were vital in enhancing networking skills development strategy which in turn influences performance and growth of women owned SMES. The networking skills development strategy influenced performance and growth of women owned SMES to a great extent. The networking skills development strategy was a key strategy required to enhance the performance and growth of women owned SMES. The networking skills development strategy was particularly important in helping the women in raising the start-up capital, increased women's awareness and exposure to good role models in business circles and assisted women to be well represented in SME sector. These areas give the women owned SMEs a competitive edge in the sector.

5.3.3 Attitude towards gender equality and performance and growth of women owned SMES

The study concluded that the majority (56%) of the respondents had attended forum where women were empowered on ways to become better entrepreneurs. Thus majority of the women entrepreneurs were empowered in managing their businesses through the various empowerment forums that they attended. This helped the women to better manage their SMEs and improve their profitability. The attitude towards gender equality influenced performance and growth of women owned SMES to a moderate extent. The study further revealed that attitude towards gender equality influenced performance and growth of women owned SMES since women

entrepreneurs had limited access to decision making positions and formal networks in the SMEs sector. Therefore the women were at a disadvantaged position as compared to their male counterparts in the SMEs sector.

5.3.4 Leadership strategy and performance and growth of women owned SMES

The study concluded that the majority (76%) of the respondents had never been trained on leadership to be a better manager of their business. Therefore majority of the women entrepreneurs lacked critical leadership skills in managing their SMEs which slowed down the growth of women owned SMEs as they had never attended leadership training. The leadership strategy influenced performance and growth of women owned SMES to a moderate extent.

The study also established that leadership strategy was critical in enhancing the performance and growth of women owned SMES. The leadership strategy enhanced the business management as well as led to recruitment and upward mobility of women to position of business top management and decision-making.

The study further concluded that training and development strategy contribute most to the financial performance and growth of women owned SMES followed by leadership strategy. Therefore the most significant capacity building strategy is training and development strategy while the least significant is gender equality strategy.

5.4 Recommendations

1. The study recommends that the women entrepreneurs should invest in regular training on entrepreneurship. Through this strategy they will be equipped with critical skills and gain expertise in managing their SMEs professionally and increase their business competitiveness in the market.
2. The study further recommends that the women entrepreneurs should manage and run their social networks professionally to make them a source of great support to their SMEs in terms of source of capital and investment ideas.

3. The study also recommends that the government and other stakeholders should create more awareness on policies to ensure that there is gender equality among women and men owned SMES. This will avert the longstanding perception that women owned SMES are less important than men owned SMES.
4. The study further recommends that women entrepreneurs should incorporate leadership strategy in the learning by attending leadership training forums. This will make them effective managers in the running of their women owned SMEs.

5.5 Suggestions for further studies

Since this study was on the influence of capacity building on financial performance and growth of women owned SMEs in Gikomba Market; Nairobi County, Kenya, the study recommends that;

1. Similar study should be done in other markets outside Nairobi County for comparison purposes and to allow for generalization of findings on the influence of capacity building on financial performance and growth of women owned SMEs.
2. The time limitation for this study could also not allow in-depth analysis of more capacity building strategies and further research to scientifically assess this is recommended.
3. At the same time the findings were based on a relatively small sample that may have influenced the nature of results that were obtained. There is need therefore to expand on the sample size and carry out similar research with an inclusion of NGOs to allow us draw conclusions and provide information that is sufficient for policy development.

REFERENCES

- Ahuja, G., & Lampert, C.M. (2010). Entrepreneurship in the large corporation: A longitudinal study of how established firms create breakthrough inventions, *Strategic Management Journal*, Vol. 22 pp.521 - 543.
- Akanji, O. (2006). Microfinance as a strategy for poverty reduction. *Central Bank of Nigeria Economic and Financial Review*, 39 (4).
- Aldrich H. E. (2007). *Organizations and environments*. Englewood Cliffs, NJ: Prentice-Hall.
- Alila, P. O. et al. (2002). Women street vendors, Institute for Development Studies, University of Nairobi, Nairobi.
- Ansoff, H. I. (2006). *Corporate strategy*. New York: John Wiley.
- Antonicic, B. (2006). Impacts of diversification and corporate entrepreneurship strategy making on growth and profitability: A normative model. *Journal of Enterprising Culture*, 14 (1), 49-63.
- Barrett, G, Jones, T, McEvoy, D (2008). Ethnic minority business: theoretical discourse in Britain and North America. *Urban Studies*, Vol. 33 pp.783-809.
- Barrett, H. & Weinstein, A. (2006). The effect of market orientation and organizational flexibility on corporate entrepreneurship. *Entrepreneurship Theory and Practice Journal*, Vol. 23 pp.57 - 70.
- Baum, J. A. C., & Singh, J. V. (2005). *Evolutionary dynamics of organizations*. Oxford: Oxford University Press.
- Baumol, W., J. (2005). *Formal entrepreneurship theory in economics: existence and bounds*. In: I. Bull, H. Thomas & G. Willard (Eds).

- Birn, R., Hague, P., Vangelder, P. (2003). *Qualitative research: A Market Research*, Goodyear, Santa Monica, CA.
- Bonnell, V. E., & Gold, T. B. (2009). *The new entrepreneurs of Europe and Asia*. Armonk, NY: M. E. Sharp.
- Brana, S. (2008). Microcredit in France: Does gender matter? *5th Annual Conference-Nice*. European Microfinance Network.
- Carter, S., & Cannon, T. (2009). *Research Paper No. 65, Female Entrepreneurs*, Department of Employment, London.
- Central Bureau of Statistics and others (2011). National Micro and Small Enterprise: Baseline Survey 2011-2012. Executive Summary.
- Charkham, J. P. (2005). *Keeping good company: A study of corporate governance in five countries*. Oxford: Clarendon Press.
- Cheston, S. & Kuhn, L. (2009). *Empowering women through microfinance. A case study of Sinapi Aba Trust, Ghana*. USA: Opportunity International.
- Cyert, R. M., & March, J. G. (2010). *A behavioral theory of the firm*. Englewood Cliffs, NJ: Prentice-Hall.
- Development Fund in Tanzania. *The Journal of Entrepreneurship* , 14 (2), 131-161.
- Dhaliwal, S., & Amin, V. (2005). *Profiles of Five Asian Entrepreneur*. Roehampton Institute, London.
- Dosi, G., & Lovallo, D. (2007). Rational entrepreneurs or optimistic martyrs? Some considerations on technological regimes, corporate entries, and the evolutionary role of decision biases. *Management Journal*, pp. 4 - 13.

- Fairtlough, G. (2000). *The Organization of Innovative Enterprises*. In: J. Ziman (Ed.), *Technological Innovation as an Evolutionary Process* (pp. 267–277). Cambridge, UK: Cambridge University Press.
- Frederking, L. (2010). *Culture, entrepreneurship and economic development*. Paper presented at Academy of Management Annual Meetings, Washington, D.C.
- Gable, R. K., and M. B. Wolf. (1993). *Instrument development in the affective domain*. Boston: Kluwer.
- Goetz, M. & SenGupta, R (2010) Who takes the credit? Gender, power and control over loan use in rural credit programmes in Bangladesh. *World Development*, 24 (i):45-64.
- Government of Kenya. 2007d medium term budget strategy Paper 2007/8-2009/10. June, Ministry of Finance
- Hamel, G. & Prahalad, C.K. (2007). *Corporate imagination and expeditionary marketing*. *Harvard Business Review*, Vol. 69 pp.81 - 92.
- Hamel, G. (2000). *Leading the revolution*. Boston: Harvard Business School Press.
- Hannan, M. T., & Freeman, J. (1989). *Organizational ecology*. Cambridge: Harvard University Press.
- Harrison, R. T. & Mason, C. M. (2007). Does gender matter? Women business angels and the supply of entrepreneurial finance. *Entrepreneurship Theory and Practice*, 31 (3), 445-472.
- Hulme, D. (2007). *Impact assessment methodologies for micro finance: Theory, Experience and better practice*. Manchester: Institute for Development Policy and Management, University of Manchester.
- Hulme, D. and P. Mosley (2000) *Finance against poverty, volumes 1 and 2*. London: Routledge.

- International Finance Corporation (IFC). 2007. Gender entrepreneurship markets. First Quarter edition global newsletter, April.
- Jennings, P., & Cohen, L. (2006). *Invisible Entrepreneurs*. 16th National Small Firms Policy and Research Conference.
- Jitnom, S., & Ussahawanitchakit, P. (2009). Effects of entrepreneurial capacity on business stability of SMEs in Thailand. *Journal of International Business and Economics* 9(3), 1-18.
- Jones, T., McEvoy, D., & Barrett, G (2008), *Small Business Initiative: Ethnic Minority Business Component*, ESRC, Swindon.
- Krejcie, R. V., Morgan, D.W. (1970) "Determining Sample Size for Research Activities", Educational and Psychological Measurement.
- Kuratko, D.K., Montagno, R.V., & Hornsby, J.S. (2003). Developing an intrapreneurial assessment instrument for an effective corporate entrepreneurial environment, *Strategic Management Journal*, Vol. 11 pp.49 - 58.
- Kuzilwa, J. (2005). The role of credit for small business success: A study of the National Entrepreneurship
- Lumpkin, G.T., & Dess, G.G. (2008). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, Vol. 21 pp.135 - 172.
- Mandel, M. J. (2000). *The coming Internet depression: Why the high-tech boom will go bust, why the crash will be worse than you think, and how to prosper afterwards*. New York: Basic Books.
- McCormick, D. and others (1996). Kenya Women Finance Trust: Borrower Profile. A Report Prepared for the International Fund for Agricultural Development by the Institute for Development Studies, University of Nairobi.

- McGrath, R. G., & MacMillan, I. C. (2000). *The entrepreneurial mindset: Strategies for continuously creating opportunity in an age of uncertainty*. Boston: Harvard Business School Press.
- Miner, A.S. & Haunschild, P.R. (2005). Population level learning. *Research Journal in Organizational Behavior*. Vol. 17 pp.115 - 166.
- Morris, M. H. (2006). *Entrepreneurial intensity: Sustainable advantages for individuals, organizations, and societies*. Westport, CT: Quorum Books.
- Morris, M. H., & Kuratko, D. F. (2009). *Corporate entrepreneurship*. Fort Worth, TX: Harcourt College Publishers.
- Mugenda A G, Mugenda O M (2003). *Research Methods, Quantitative and Qualitative Approaches*, ACTS Press, Nairobi
- Mugenda, O.M. & Mugenda. A.G. (2007). *Research Methods, Qualitative and Quantitative Approaches*. Nairobi: African Centre for Technology Studies.
- Nicholson, G.C. (2006). Keeping innovation alive. *Research Technology Management*, Vol. 41 pp.34 - 40.
- Ojo, O. (2009). Impact of microfinance on entrepreneurial development: The case of Nigeria. Faculty of Administration and Business, University of Bucharest, Romania.
- Penrose, E. T. (2006). *The theory of the growth of the firm*. London: Basil Blackwell.
- Phizacklea, A., (2003). *Unpacking the Fashion Industry*, Routledge and Kegan Paul, London.
- Pinchot, G., & Pellman, R. (2007). *Intrapreneuring in action: A handbook for business innovation*. San Francisco: Berrett-Koehler Publishers.

- Porter, E. G. & Nagarajan, K. V. (2005). Successful women entrepreneurs as pioneers: Results from a study conducted in Karaikudi, Tamil Nadu, India. *Journal of Small Business and Entrepreneurship*, 18 (1), 39-52.
- Quinn, J. B., Baruch, J. J., & Zien, K. A. (2007). *Innovation explosion: Using intellect and software to revolutionize growth strategies*. New York: Free Press.
- Ram N. T. (2009). Rural Women Empowerment in India in *Empowerment of Rural Women in India* Kanishka Publishers, New Delhi.
- Ram, M., & Jones, T (2006). Business Research Trust Report, *Ethnic Minorities in Business*, Milton Keynes.
- Ram, M., (2008). *Coping with racism: Asian employers in the inner city*. Work, Employment and Society. Vol. 6 No. 4, pp. 601-18.
- Reynolds, P. D., & White, S. B. (2007). The entrepreneurial process: Economic growth, men, women, and minorities. Westport, CT: Quorum Books.
- Robinson, M. (2010). *The micro finance revolution: Sustainable finance for the poor*. Washington, D.C.: The World Bank.
- Schuler A.O. & Riley S.M., (2010). Rural Credit programs and women's empowerment in Bangladesh. *World Development*, 24 (4): 635-654.
- Shane, S. (2005). *A general theory of entrepreneurship: The individual-opportunity nexus*. UK: Edward Elgar.
- Solley, Bobbie A. (2005). *When Poverty's Children Write: Celebrating Strengths, Transforming Lives*. Portsmouth, NH: Heinemann, Inc.
- Stevens, G. A., & Burley, J. (2007). 3,000 raw ideas = 1 commercial success!. *Research-Technology Management*, Vol. 40 pp.16 - 27.

- Stevenson, H.H. & Jarillo, J.C. (2003). A paradigm of entrepreneurship: Entrepreneurial management. *Strategic Management Journal*, Vol. 11 pp.17 - 27.
- Stevenson, L.; St-Onge, A. 2005. Support for growth-oriented women entrepreneurs in Ethiopia, Kenya and Tanzania: An overview report, Programme on Boosting Employment through Small Enterprise Development Job Creation and Enterprise Department, International Labour Office, Geneva and Private Sector Department (OPSD), Africa Development Bank (AFDB) (Tunis).
- Tata, J. & Prasad, S. (2008). Social capital, collaborative exchange and microenterprise performance: The role of gender. *International Journal of Entrepreneurship and Small Business* , 5 (3/4), 373-385.
- United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, 2007).
- Xun, W. W., Jie, Z., & Wen, C. H. (2009). Management innovation and core competitive advantages of SMEs. *Chinese Business Review*, 8(12), 53-57. doi: 10.1665/23555087213.

APPENDIX 1:

LETTER OF INTRODUCTION

Chege Sarah Muthoni

P.O BOX 24654, 00100

NAIROBI

Dear Sir/Madam,

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

I am a student at the University of Nairobi pursuing a Master of Arts degree in Project Planning and Management. As part of my coursework, I am required to carry out and submit a research project report on the influence of capacity building on performance and growth of women owned SMEs in Kenya, a case of Gikomba Market.

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

Yours faithfully,

Chege Sarah Muthoni

APPENDIX 2:

WOMEN ENTREPRENEURS QUESTIONNAIRE

This set of questions is intended to get the information on the influence of capacity building on performance and growth of women owned SMEs in Gikomba Market Nairobi County Kenya. With your honest answers, the interested stakeholders will have the right information to plan the way forward. You are hereby guaranteed that the information you give will be treated with utter confidentiality.

Section A: profile of the respondents

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

2. What is your Age Category?

Below 18 ☐

18-25 ☐

26-35 ☐

36-45 ☐

46-55 ☐

55 and above ☐

3. Your age when you started this business:

Below 18 ☐

18-25 ☐

26-35 ☐

36-45 ☐

46-55 ☐

55 and above ☐

4. What Educational background do you have?

Primary school ☐

Secondary School ☐

Diploma or less ☐

Bachelor Degree ☐

Master Degree ☐

PH.D Degree ☐

SECTION B: To establish whether training and development strategy influences performance and growth of women owned SMES in Gikomba market.

Have you ever attended any form of training and development on entrepreneurship?

Yes ☐ no ☐

If yes, were you trained in the following areas of entrepreneurship?

Financial management and accountability Yes ☐ no ☐

Sales and marketing Yes ☐ no ☐

Business planning Yes ☐ no ☐

Other areas (specify)

.....

.....

To what extent does the training that you have participated in assisted you in improving the performance of your business?

Very great extent ☐ great extent ☐ moderate extent ☐ low extent ☐

Very low extent []

8. The following statements relate to the extent to which training strategy influences performance and growth of women owned SMES in Gikomba market. To what extent do you agree with each of the statement? Use a scale where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent

| | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| Through training, women entrepreneurs have acquired skills on how to better manage their businesses | | | | | |
| To improve the survival and performance of women-owned ventures, programmes should be implemented to assist women in selecting appropriate work-family management strategies | | | | | |
| women want post-start-up support that is accessible after trying out the skills learned in earlier training | | | | | |
| Programmes aiming to improve perceptions of aspiring women entrepreneurs may lead to higher rates of business start-up | | | | | |

SECTION C: To investigate whether networking skills development strategy influences performance and growth of women owned SMES in Gikomba market.

Are you a member of any social network/social groups related to the running of your business?

Yes [] no []

If yes, what are the activities carried out in the social network/social groups?

.....

To what extent does being a member of a social network/social groups assist you in improving the performance of your business?

Very great extent ☐ great extent ☐ moderate extent ☐ low extent ☐

Very low extent ☐

8. The following statements relate to how networking skills influences performance and growth of women owned SMES in Gikomba market. To what extent do you agree with each of the statement? Use a scale where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power | | | | | |
| Social networks helps women to access more information on ways to enhance their business | | | | | |
| The social networks assist women with startup capital | | | | | |
| Lack of networks also deprives women of awareness and exposure to good role models | | | | | |
| Women's businesses are not well represented in industry, trade or business associations | | | | | |

SECTION D: To examine whether attitude towards gender equality influences performance and growth of women owned SMES in Gikomba market.

Have you ever attended any forum where women are empowered on ways to become better entrepreneurs?

Yes ☐ no ☐

To what extent does the women empowerment assist you in improving the performance of your business?

Very great extent ☐ great extent ☐ moderate extent ☐ low extent ☐

Very low extent ☐

8. The following statements relate to the extent to which attitude towards gender equality influences performance and growth of women owned SMES in Gikomba market. To what extent do you agree with each of the statement? Use a scale where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent

| | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| Women on average have less access to education than men, and technical and vocational skills | | | | | |
| gender inequality is shown by women's insufficient access to positions of decision-making power and authority in the ceiling | | | | | |
| Women are able to cope with the dual responsibility and demands of family and business | | | | | |
| Women exclusion from formal networks limits their ability to advance in business | | | | | |

SECTION E: To determine how leadership strategy influences performance and growth of women owned SMES in Gikomba market.

Have you ever been trained on leadership to be a better manager of your business?

Yes ☐ no ☐

To what extent did the training on leadership that you received assisted you in improving the performance of your business?

Very great extent [] great extent [] moderate extent [] low extent []

Very low extent []

8. The following statements relate to how leadership strategy influences performance and growth of women owned SMES in Gikomba market. To what extent do you agree with each of the statement? Use a scale where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| By gaining leadership skills women are better placed to manage their SMEs | | | | | |
| leadership is a major factor that influences the recruitment and upward mobility of women, to position of business top management and decision-making | | | | | |
| SMEs still have not developed sufficiently flexible policies to relieve women managers of the tension of having to combine family with work | | | | | |
| the governments have not been proactive enough in developing and supporting laws in regard to sexual harassment, equal employment opportunity, equal pay, as well as family-friendly laws | | | | | |

THANK YOU FOR YOUR TIME AND PARTICIPATION

APPENDIX 3

TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

| N | S | N | S | N | S | N | S | N | S |
|----|----|-----|-----|-----|-----|------|-----|--------|-----|
| 10 | 10 | 100 | 80 | 280 | 162 | 800 | 260 | 2800 | 338 |
| 15 | 14 | 110 | 86 | 290 | 165 | 850 | 265 | 3000 | 341 |
| 20 | 19 | 120 | 92 | 300 | 169 | 900 | 269 | 3500 | 246 |
| 25 | 24 | 130 | 97 | 320 | 175 | 950 | 274 | 4000 | 351 |
| 30 | 28 | 140 | 103 | 340 | 181 | 1000 | 278 | 4500 | 351 |
| 35 | 32 | 150 | 108 | 360 | 186 | 1100 | 285 | 5000 | 357 |
| 40 | 36 | 160 | 113 | 380 | 181 | 1200 | 291 | 6000 | 361 |
| 45 | 40 | 180 | 118 | 400 | 196 | 1300 | 297 | 7000 | 364 |
| 50 | 44 | 190 | 123 | 420 | 201 | 1400 | 302 | 8000 | 367 |
| 55 | 48 | 200 | 127 | 440 | 205 | 1500 | 306 | 9000 | 368 |
| 60 | 52 | 210 | 132 | 460 | 210 | 1600 | 310 | 10000 | 373 |
| 65 | 56 | 220 | 136 | 480 | 214 | 1700 | 313 | 15000 | 375 |
| 70 | 59 | 230 | 140 | 500 | 217 | 1800 | 317 | 20000 | 377 |
| 75 | 63 | 240 | 144 | 550 | 225 | 1900 | 320 | 30000 | 379 |
| 80 | 66 | 250 | 148 | 600 | 234 | 2000 | 322 | 40000 | 380 |
| 85 | 70 | 260 | 152 | 650 | 242 | 2200 | 327 | 50000 | 381 |
| 90 | 73 | 270 | 155 | 700 | 248 | 2400 | 331 | 75000 | 382 |
| 95 | 76 | 270 | 159 | 750 | 256 | 2600 | 335 | 100000 | 384 |

Note: “N” is population size “S” is sample size.

Krejcie, Robert V. Morgan, Daryle W., “Determining Sample Size for Research Activities”, Educational and Psychological Measurement, 1970.