# INFLUENCE OF ENTREPRENEURAL SKILLS ON THE PERFORMANCE OF THE DESIGN SECTOR: A CASE OF JUA KALI ARTISANS IN KIBERA CONSTITUENCY, NAIROBI COUNTY, KENYA

## $\mathbf{BY}$

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A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS IN PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI

# **DECLARATION**

This Research Project Report is my origin	nal work and has not been presented for a deg	ree in any
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# **DEDICATION**

To my loving mother 'Queen wa Sussy' who constantly urges me to pursue my dreams and be a person of integrity.

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## ABBREVIATIONS AND ACRONYMS

**CBS:** Central Bureau of Statistics

**CCN:** City Council of Nairobi

**CIPE:** Center for International Private Enterprise

**GDP:** Gross Domestic Product

**GoK:** Government of Kenya

**HABITAT:** The United Nations Human Settlements Programme

**ILO:** International Labor Organization

**MSE:** Micro-Small Enterprises

**MSETTP:** Micro and Small Enterprise Training and Technology Project

**NGO:** Non-Governmental Organization

SMEs: Small Medium Enterprises/ Micro-Small Enterprises

**TVET:** Technical and Vocational Education and Training

**UNESCO:** United Nations Educational, Scientific and Cultural Organization

**UNEVOC:** International Centre for Technical and Vocational Education and Training

**UNHSP:** Universal Newborn Hearing Screening Program

**UK:** United Kingdom

**VTI:** Vocational Training Institutes

## **ABSTRACT**

The Research was conducted to investigate the influence of entrepreneurial skills on the performance of the informal design sector. A case of *jua kali* artisans in Kibera constituency, Nairobi County. The objectives of the research were; to establish how education, experience and attitudes influence business performance of the design sector. The methodology that was used in carrying out the research was survey and structured interviews. Qualitative and quantitative data was collected using questionnaires, in-depth interviews and observations. Findings of the study showed that 78% of the sample size had under gone some form of education which led to a positive conclusion that education influences business performance in the informal sector. Furthermore, the research revealed that experience is crucial for successful performance of businesses in the informal sector. Those artisans with some level of experience were regarded as better skilled in entrepreneurship and they were quick in learning new skills and tasks that improved business capabilities. In relation to entrepreneurial attitudes, the research showed that attitude matters a lot when doing a design business. On assessment of the research findings, the researcher was able to draw conclusions and recommendations. The researcher suggested areas for further research to be finance and government policy which affect or influence participation of design sector artisans in the informal sector.

#### **CHAPTER ONE**

#### INTRODUCTION

## 1.1. Background of the Study

The term 'informal sector' or jua kali as is referred to in Kenya is used in this report to refer to the legal and illegal market based production of jewelry, bags, sandals, clothes and soft furnishings by artisans. The jua kali artisans have small, almost negligible businesses that they run and generally contribute to the Gross Domestic Product (GDP) of Kenya's economy. Many Kenyans are employed in the jua kali sector; this is according to the Economic Survey published by Kenya's Central Bureau of Statistics (KCBS). The KCBS goes on to say that employment within the informal sector increased from 4.2 million persons in 2000 to 5.1 million persons in 2002, accounting for 74.2% of total employment. According to UNHSP-HABITAT (UNHSP-HABITAT, 2006) the informal economy can hardly be ignored in Kenya: 61 percent of the 14million labor force work in non-agricultural employment, while 35 percent of urban and 59 percent of rural households respectively are involved in small businesses. Whether rural or urban, the informal economy is comprised of SMEs which produce and distribute basic goods and services in unrelated competitive markets that lie outside the regulatory framework of either national or municipal government. This sector is a permanent fixture of the country's development and is as old as Kenya's independence. It is the ability of an artisan to keep their customers interested in their products that determines how long they remain relevant in the market. (Daniels, 2010) supports this notion, he writes that jua kali know local materials, tastes, and markets. But their time that is available to innovate is limited by the need to produce goods that will sell in the market.

Research has shown that training has enabled jua kali to perform better as entrepreneurs. The report by the Kenya Micro and Small Enterprise Training and Technology Project (MSETTP) launched in November 1994 under the authority of the Kenyan Government and the Ministry of Research, Technical training and Technology, proves this to be true. This research report sets to find out the impact of training on the performance of entrepreneurs in the informal sector,

whether education influences the level of business performance and to also find out if a person's attitude influences the performance of their business.

#### 1.2. Statement of the Problem

It has been claimed that jua kali artisans in the design sector lack the required entrepreneurial skills to enable them advance their business and be in a position to compete with formal sector design businesses. An alternative point of view holds that the informal sector serves as an incubator for a country's ongoing development. It acts as a dynamic training ground for the establishment of more formal businesses, and a major vehicle for reducing unemployment (Thomas 1988). In order for a small-scale business to grow into a formal business the owner should have more knowledge of formal entrepreneurial skills. It is with this as the underlying idea that this research report sort to establish the influence of entrepreneurial skills on the performance of the design sector.

## 1.3. Purpose of the Study

The purpose of the research was to investigate the influence of entrepreneurial skills on the performance of the design sector: a case of *jua kali* artisans in Kibera constituency, Nairobi County.

## 1.4. Objectives of the Study

Specific objectives that guided the research were:

- 1. To establish how education influences business performance of the design sector.
- 2. To determine whether experience influences business performance of the design sector.
- 3. To find out if the entrepreneur attitude influences business performance of the design sector.

## 1.5. Research Questions

The research questions that guided the research included:

- a) How does education influence business performance of in the design sector?
- b) How does experience influence business performance in the design sector?
- c) Does entrepreneurial attitude influence the business performance in the design sector?

## 1.6. Hypotheses

The researcher formulated the following hypotheses;

- 1. There is a positive relationship between education and performance in the design sector.
- 2. There is a positive relationship between experience and performance in the design sector.
- 3. There is a positive relationship between an artisan's entrepreneurial attitude and his/her business performance in the design sector.

## 1.7. Significance of the Study

Employment is created through replication of businesses that barely survive, rather than through expansion of successful businesses (Hirschowitz, 1992). Hirschowitz (1992) found that there was an interaction between the formal and informal sectors, but the money mainly moved from the informal to the formal sector with very little moving the other way. With Entrepreneurial skills, informal design sector artisans can utilize existing opportunities such as training, formal education, market research reports, interaction with designers in the formal sector to enrich themselves and advance their businesses. The possession of sound entrepreneurial skills will also act as an enabling point in the transition of informal businesses to formal businesses. This research outlines the practical application of entrepreneurial skills to real situations that show its usefulness as a study course in higher institutions of learning such as the University of Nairobi.

## 1.8. Delimitations of the Study

The researcher concentrated on entrepreneurship among jua kali artisans in Makina market in Kibera Constituency. The design artisans are involved in the making of jewelry, bags, sandals, dressmaking and soft furnishings. Makina market has got an approximate population of 500 artisans. Out of these, 200 artisans were the target population of which a representative sample of 20 artisans was targeted.

#### 1.9. Limitations of the Study

The research was on entrepreneurial skills and therefore was limited to informal sole proprietorship businesses. The respondents had varying levels of the respondents made compelled the researcher to explain some questions on the questionnaires and therefore limiting the understanding of the respondents. While measures were taken to ensure that the correct information was gotten from the respondents, the truthfulness and honesty with which they answered the questions is not possible to determine. Foul weather on some days made it difficult for the researcher to access and administer the questionnaires on time due to accessibility but this was overcome by waiting it out.

## 1.10. Assumptions of the Study

Part of the assumptions made by the researcher were that: the selected sample is representative of design sector artisans from Kibera Constituency, the data collection instruments were valid in measuring the desired constructs, the respondents answered questions correctly and truthfully and that the researcher had adequate resources to carry out the research effectively.

#### 1.11. Definition of Significant Terms

**Artisan -** A skilled or semi-skilled manual worker who makes items that may be functional or decorative, that include furniture, clothing, jewelry and household items. An artisan creates products through experience and talent for expression.

**Attitude** - The way of thinking that is reflected in the artisans' behavior when going about their daily running of their businesses.

**Business growth** - This refers to the rate of business expansion over time. It is terms of profits, production and number of employees.

**Design** - Here, design is understood as a process, which is not confined to the domain of formally trained clusters.

**Design business** - The term design business in here has been used to refer to jewelry and accessories business, fashion and tailoring and interior decor items such as soft furnishings and hard furniture.

**Design entrepreneur** - We look at a design entrepreneur as not just being a business owner but as a person who assumes all risks and turns his/her innovative ideas into jewelry and accessories business, fashion and tailoring and interior decor items such as soft furnishings and hard furniture.

**Design entrepreneurship** - In this study design entrepreneurship has been used in the context of business production where a person comes up with a viable concept, produces and markets it.

**Design improvement** - The evolution and refinement of designed product over time to better suit the consumer and market needs.

**Entrepreneurial skills** - These are the qualities needed for someone in the informal design sector to succeed as an entrepreneur.

**Entrepreneurship** - The term entrepreneurship has been used to mean the skills used by an entrepreneur to discover new ways of pulling resources in order to organize, manage and assume the risks of a business.

**Informal sector/jua kali** - The term informal or jua Kali in Swahili is used in this research to refer to economic activities not recorded in the national accounts and not subject to formal rules

of contract, licensing, labor inspection, reporting and taxation. These informal businesses design products, duplicate and adopt them themselves.

**Level of education -** This is used to mean the different stages of schooling as acknowledged and offered in the Kenyan education system.

**Level of profits -** Disposable income available to the business once the total expenses are deducted from money received.

**Training -** This means the action of teaching artisans the skills required to produce design products.

## **1.12.** Summary of Chapters

The first chapter introduces the topic of study and attempts to breakdown into various understandable pieces what's, whys, when and where answers that help understand the research topic. In the second chapter, the researcher reviews literature in relation to the topic of study and the objectives of the study. Chapter three explains the research design of this research. Chapter four contains the analysis, presentation and interpretation of data collected from both the sample population and the key informants. The conclusion of this research study is found in chapter five which contains the findings, discussions, conclusions and recommendations.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1. Introduction

This chapter is subdivided into themes that outline themselves throughout the process of the research study. Included in literature review, was the design aspect of the research. A conceptual framework is also covered in this section.

## 2.2. Experience and Business Performance

Most Scholars in the informal sector agree that on job training and apprenticeship is the largest source of training in the informal sector. Technical and vocational education and training (TVET) is broadly defined as education which is mainly to lead participants to acquire the practical skills, know-how and understanding necessary for employment in a particular occupation, trade or group of occupations (Atchoarena, D & Delluc, 2001). It is the provision of skills, knowledge, attitude, and values needed for the place of work. Technical and Vocational Education Training in Kenya is targeted to produce entrepreneurs who are able to create own jobs rather than seeking employment in any organization. That is why entrepreneurship training is incorporated in TVET college curriculum. Entrepreneurship education is designed in order to support graduates, existing and potential entrepreneurs to create and run their own business rather than expecting employment from government, private or NGOs. So as to develop entrepreneurial culture to all groups of the society, entrepreneurship education is given in different countries including Kenya in formal, informal and non-formal way through TVET colleges/institutes.

In Kenya, there are thousands of technical training college graduates who pass their certificate and diploma examinations but due the prevailing unemployment crisis they cannot find employment. The informal sector has turned out to be one alternative. Their success in business in the informal sector greatly depends on entrepreneurial management skills they gained in college though entrepreneurship education subject. The introduction of entrepreneurship education in technical training colleges in Kenya represents an innovation in tertiary education

institutions that is relevant to the informal sector. According to Haan (2006), entrepreneurship education programmes helps develop attitudes favorable to starting one's own business and provide knowledge and skills for running a business, e.g. business law, accounting and bookkeeping, credit and finance, and marketing. Farstad (2002) researched on entrepreneurship education programmes offered in secondary and tertiary education institutions in Kenya, Botswana, and Uganda. He found that in a comparison of graduates of general secondary education programmes and those from technical and vocational education programmes, the latter group was more likely to start businesses within a few years of graduation. This is because graduates from technical and vocational education were equipped with entrepreneurship skills through Entrepreneurship Education and Business Planning courses they were taught.

The technical education provided a skill that was then honed on the job with an apprenticeship and wage employment before setting out to start a new business. Skills development encompasses a broad range of core skills (entrepreneurial, communication, financial, management and leadership) so that individuals are equipped for productive activities and employment opportunities (wage employment, self-employment and income generation activities). Furnishing management skills is required to improve productivity in the informal sector. Entrepreneurship education has encouraged schools to think outside traditional patterns of pedagogy and classroom instruction. Periods of mandatory work placement have been introduced along with compulsory development of a business plan subject to examination and grading. This subject is aimed at imparting graduates with entrepreneurial, communication, financial, management and leadership skills which are essential to entrepreneurs (Marius, 1987).

#### 2.3. Education in the Informal Sector and Business Performance

Sandra Sookram and Patrick Kent Watson examine the participation of small businesses in the informal sector of emerging economies and cite the level of education as part of the socio-economic and demographic considerations that influence their participation in the informal sector. They write that Small-business owners with primary and secondary educational levels are less likely than those with tertiary level education (reference modality) to sell goods and services in the informal sector and tend not to participate at all. This finding is similar to that of Stulhofer

(1999) who finds that work in the informal sector increases with the level of education but contradicts that of Gerxhani (2002) who found that, in Albania, primary-level educated persons supply more informal activity than higher educated persons.

The above views influence this study as the researcher's argument is that the level of education of jua kali artisans affects the performance or success of their businesses. The two writers continue to state that whatever the small-business owner's education, he she has the same attitude to risk, *ceteris paribus*.

Bani Orwa in his paper gives inadequate access to skills training and technology as one of the challenges jua kali businesses face. He goes ahead to recommend that Independent Business Associations in the jua kali sector should offer training programs to members giving an example of the Kamukunji jua kali Association, based in Nairobi whose main objectives include to help improve the technical and managerial skills of members through training.

In his paper, Bani cites the Center for International Private Enterprise (CIPE) workshop in 2004 to build the capacity of jua kali associations. CIPE organized a one-week professional and organizational development workshop for 40 association leaders in Nairobi in November 2004. During the workshop, participants acquired skills for leadership, finance, and budgeting; learned strategic planning, membership development, and marketing techniques; identified sources of non-dues income; and discussed the role of associations in democratic society. The training had a large impact: several associations were rejuvenated and are currently offering innovative services to their members.

Arvil Adams interrogates the Kenya Micro and Small Enterprise Training and Technology Project (MSETTP) which was launched in November 1994 under the authority of the Kenyan Government and the Ministry of Research, Technical Training and Technology. The voucher program is part of a training fund component, which is the largest component of the MSETTP, approaching US \$12 million. The training fund includes a revolving capital fund for upgrading training capacity. The vouchers as used in Kenya were expected to focus attention on the skill upgrading needs of the Jua Kali sector and generate a supply response among trainers to fill these needs. The objective of the training was to improve the productivity of micro and small enterprises and increases the incomes of entrepreneurs and their employees. This program attempts to solve the problem of lack of education and training in the jua kali sector.

It is presupposed that majority of the people around the world work in the Jua Kali Sector but yet, the provision that has been made to assist them in their endeavors has been very little and, in many cases, non-existent. A project by UNESCO titled *Under the Sun or in the shade? Jua Kali in African Countries* points out that education and training is vital for individuals who are self-employed or employed in small-scale businesses. Therefore UNESCO, through its UNEVOC Project, made a commitment to reach out to these people that are beyond the formal sector of education and employment and seeks to encourage appropriate authorities, including governments, formal enterprises and non-governmental organizations, to assist the development of an effective non-formal sector within national economies.

## 2.4. The Entrepreneurial Attitude and Business Performance in the Informal Sector

There is a widely accepted notion that entrepreneurial ventures are key to innovation, productivity, and effective competition (Kuratko, 2009). (Kuratko, 2009) goes on to define entrepreneurs as individuals who recognize opportunities where others see chaos or confusion. They are aggressive catalysts for change within the market place. He goes on to say that the terms entrepreneurs and small business owner sometimes are used interchangeably. This I do a agree with as it more often is the case with informal sector businesses. The entrepreneurial mind-set can be exhibited inside or outside an organization, in profit or not-for-profit enterprises, and in business or non-business activities for the purpose of bringing forth creative ideas. Thus

entrepreneurship is an integrated concept that permeates an individual's business in an innovative manner (Kuratko, 2009).

The recognition of an opportunity is the beginning of the entrepreneurial process (Baron & Shane, 2008). This arises from the potential to create something new that has emerged from a complex pattern of changing conditions. My translation of this literature is that the entrepreneur should always aim at being relevant to their target market at any one time. It is these opportunities that have the potential to generate economic values (Baron & Shane, 2008). Most authors, among them (Baron & Shane, 2008) suggest that a serious entrepreneur should have a business plan as a plan of action towards executing an idea. From here go ahead to develop effective strategies for encouraging and managing growth and management issues relating to growth and afterwards harvest the rewards.

The success or failure in contemporary ventures is credited to various schools of thought as implied by (Kuratko, 2009). These schools of thought are; The environmental School of thought; that deals with external factors that affect a potential entrepreneur's lifestyle. These can either be positive or negative forces depending on the moulding of entrepreneurial desires. The financial/capital school of thought; which is based on the capital seeking process. Here, the search for seed and growth capital is the entire focus of the entrepreneurial emphasis. It views the entire entrepreneurial venture from a financial management stand point. The displacement school of thought; here the focus is on negative side of group phenomena, where someone feels out of place. It holds that the group hinders a person from advancing or eliminates certain critical factors needed for that person to advance. As a result the person will be projected into an entrepreneurial pursuit out of his or her own motivation to succeed.

The entrepreneurial trait school of thought; the interest by many researchers and writers has been in identifying traits common to successful entrepreneurs. This approach is grounded in the study of successful people who tend to exhibit characteristics that if copied, would increase success opportunities for the emulators. For example, achievement, creativity, determination, and technological knowledge are four factors that are usually exhibited by successful entrepreneurs. A person's family development and educational incubation are also examined.

The venture opportunity school of thought; this school of thought focuses on the opportunity aspect of venture development. The search for idea sources, the development of concepts, and the implementation of venture opportunities are important interest areas to this school. An integrative approach; an integrative picture of the entrepreneurial process is provided by Morris, Lewis and Sexton.

## 2.5. Statistics on the Informal Sector in Kenya

According to (UNHSP-HABITAT, 2006) the informal economy can hardly be ignored in Kenya: 61 percent of the 14-million labor force work in non-agricultural employment, while 35 percent of urban and 59 percent of rural households respectively are involved in small businesses. The informal economy, which also incorporates the design artisans, is comprised of Small Medium Enterprises (SMEs) which produce and distribute basic goods and services in unregulated competitive markets that lie outside the regulatory framework of either national or municipal government. The informal sector is a permanent fixture of the country's development and is as old as Kenya's independence. It is important to note that the urban informal sector accounts for a big part of urban employment (20-60 %) in many primal cities in the world.

The informal economic sector contribution to development is fast increasing (Komollo, 2010). Kessides (2006) supports this fact by saying that the dominant story of production in Africa, as in many low income developing and transition regions is in the informal economy, of which Kenya is a perfect example. The City Council of Nairobi (CCN) (2006), observes that from a Municipality that was initially established for a population of about 200,000, Nairobi has rapidly grown to a City of over 3 million people and a day population of 6 million. Whilst this rapid growth has brought about new resources to the city particularly in terms of revenue sources, the City's development has not been managed in tandem with the economic demographic growth. On the informal front, Nairobi is a leader. Of the 6,814,900 jobs created in the informal sector in 2006, Nairobi accounted for almost a quarter of the employed population offering 1,645,800 opportunities in different forms of informal sector activities implying a concentration of informal activities in the city (Republic of Kenya, 2007).

As we can see from the above statistics, the informal sector is a source of livelihood for many people in Kenya and cannot be ignored or treated as a by the way. There is need therefore, to give it the attention it requires. The informal sector should be recognized not only for its contribution towards the improvement of the participants, but also for its role and contribution towards the economy of Kenya, the Gross domestic product (GDP) and employment creation. This informal economic sector requires attention more so as it is fast growing and requires clearly stipulated modules that will help future entrepreneurs experience minimal teething problems in their pursuance of this field. If the 2006 City Council of Nairobi statistics are anything to go by, then there is a high demand for more entrants into the Informal sector for the demographics to balance out with available job opportunities.

## 2.6. Informal 'Jua Kali' Sector in Kenya

The 1972 study of Kenya by (Organizations, 1972), popularized the term 'informal sector'. However, Kenyans prefer to use another term for the sector: *jua Kali*, which literally means "under the hot sun." This name is an indication of the severe conditions under which microentrepreneurs and their employees labor. This unstructured sector emerged as a result of the incapacity of formal, regulated industries to absorb new entrants. The jua Kali sector encompasses small-scale entrepreneurs and workers who lack access to credit, property rights, training, and good working conditions. Originally restricted to artisans, the term has come to include a number of professions, including auto mechanics and market vendors. They supply goods to local markets using predominantly manual labor and little capital, often making do with handmade tools. Their livelihoods are constantly threatened by arbitrary seizures and other forms of harassment by authorities (Orwa, January 25, 2007).

Many Kenyans consider the jua Kali to be the predominant – and most important – economic sector in Kenya, the one in which they all work. This is not far from the truth. According to the Economic Survey published by Kenya's Central Bureau of Statistics (CBS), employment within the sector increased from 4.2 million persons in 2000 to 5.1 million persons in 2002, accounting for 74.2 percent of total employment. The sector contributes 18.4 percent of the gross domestic product and provides goods and services, promotes creativity and innovation, and enhances

entrepreneurial culture. A common statement heard throughout Kenya is "We are all Jua Kali nowadays." (King, 1996)

Information on this area by scholars and researchers such as Obudho (1981), Mochache (1990) and Atieno (1986) suggests that the evolution of the informal sector in Kenya can be traced back to the early 1960s, when the newly independent state introduced trade licenses, work permits and state owned monopolies, as part of the broader strategies for economic indigenization. Since then this sector has witnessed bustling activity and renewed interests, both by external agencies and the government, with desire to intervene directly, which contrasts with neglect which characterized the early years (Oyugi, 2001).

Since then the continued use of the term 'informal', development and growth of the sector has remained on the upward trajectory. Other notable landmark periods of the evolution of the sector in Kenya have been identified as the visiting of the Kamukunji informal industrial estate by the then president Daniel Moi in 1986. This visit revolutionized the view of the sector when the Moi regime restructured the policy environment to accommodate the sector through construction of the 'Nyayo sheds' where the industrialists were to operate, as well as possibility of security of tenure among other policy decisions (Komollo, 2010).

The ground breaking moment of the recognition of the sector came at the publishing of the Sessional Paper No 1 of 1986 on "Economic Management for Renewed Growth" (Kenya, 1989). By the time it was released, the casual term "Informal" sector was given a new positive dimension by being substituted with the term 'Jua-Kali'. The sessional paper highlighted the potentials of the sector and how to change its image, from an employer of last resort to a spring of technological innovation and aggressive entrepreneurship. This paper, prepared against the background of declining economic growth, introduced radical changes and outlined a development strategy, which put great emphasis on the informal sector development (Komollo, 2010). In 1989, the Government of Kenya (GoK), through the Ministry of Planning and National Development published a document entitled 'A Strategy for Small Enterprises Development in Kenya: Towards the Year 2000'. This paper focused on the constraints the sector was

experiencing. The constraints were broadly classified as:the enabling environment, investment and finance and promotional problems, programmes and enterprises culture.

The constraints subsequently formed the basis for designing fairly focused policies in the sector. By 1992, the policy focuses had been refined and was published as sessional paper No.2 of 1992 on 'Small Enterprises and Jua Kali Development in Kenya'. This paper has since served as the basis of all programmes for the development of the sector. An Agenda for action was defined covering a period of 12 to 24 months in those areas considered crucial for the promotion of the informal sector. This period expired in February 1994. Early in 1994 under the agenda for early action through assessment of policies the government carried out strategies and programmes. The obstacles inhibiting growth in the sector were identified and further analysed. The following issues emerged; Weak and non-existent coordination mechanisms among the multitude of actors involved in various levels of policy implementation thus producing results of minimal impact. Furthermore, the government's capacity to play its facilitative role was weak and required strengthening. The regulatory environment still remained hostile to informal sector activities, despite the review of the disabling by laws and regulations inhibiting the sector's growth. This was due to inadequate dissemination of information to the implementers.

In order to address these issues, the Micro-Small Enterprises (MSE) unit in the ministry of Planning and National Development was upgraded to a division with two distinct sections. The first section was the policy section, mandated to develop, monitor implementation, coordinate policies, disseminate information to the target population and further assess the impact of the policies on beneficiaries. The second section was the deregulation unit, mandated to facilitate the creation of an enabling environment for promoting the informal sector. This was to be achieved by addressing the existing constraints, specifically those regulations that proved punitive to the sector's development (Oyugi, 2001).

Even in its formative years the informal sector was a force to be reckoned with, first, having pushed the Kenyans ahead, and even through the first two regimes that were characterized by resource misappropriation. The evolution of the informal sector continues to be a quintessential driving force for economic development, employment creation as well as an important tool for

poverty reduction. Unfortunately, the sector has not been sufficiently harnessed to add to its tasks.

## 2.7. Meaning of Design

Design is something you encounter everywhere in everyday life. You see it in the shape and color of a street sign, the woven details of a basket, the arrangement of food on a plate, the colors in a window display or the texture of a crocheted hat. Whether you are aware of it or not, you are also constantly designing, even when doing something simple as arranging furniture, stacking wood or setting a table (Aimone, 2004). Design in simple terms is the arrangement of visual element in a space (Aimone, 2004). (Burdek, 2005) simplifies the qualities of a good design as: Good design may not be a mere envelopment technique it must express the individuality of the product in question through appropriate fashioning. It must make the function of the product, its application, plainly visible so that it can be understood clearly by the user. Good design must allow the latest state of technological development to become transparent. Design must not be restricted just to the product itself; it must also take into consideration issues of ecology, energy conservation, recyclability, durability, and ergonomics. Good design must take the relationship between humans and objects as the point of departure for the shapes it uses, especially taking into account aspects of occupational medicine and perception

The designers that this research focuses on, participate in utilitarian design where items are made are meant to be used and worn (Aimone, 2004). By understanding design to a certain level, the researcher will be better placed to critique the quality of the respondents' works. From this literature we understand that design is interactive between the users and the objects. We also learn that a person does not have to be formally trained to practice design or be a designer. Sometimes people simply practice design without realizing it. It is the need and function of an item that determines the consumer and this product should at the end of it all meet the need. Informal designers, have talent, skills and experience, thus without even knowing it, they may be satisfying the principles of a good design.

# 2.8. Conceptual Framework

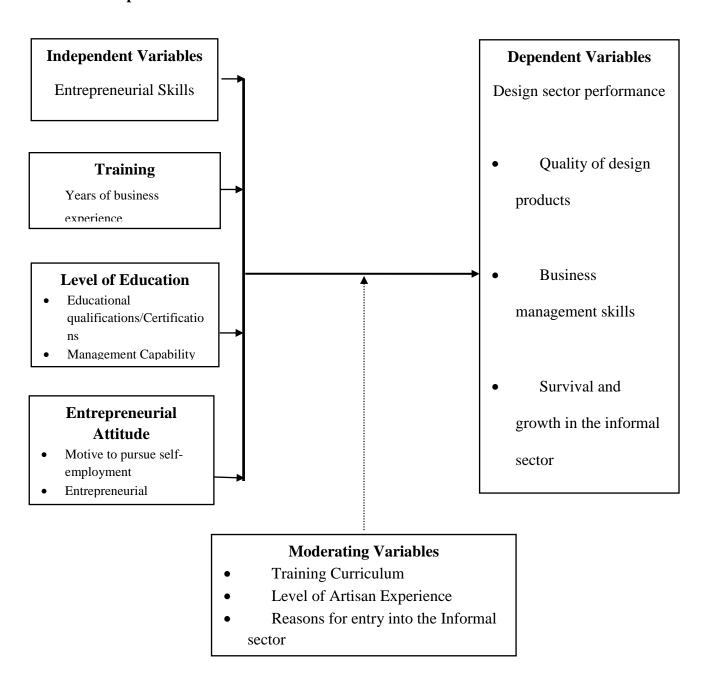


Figure 1: Conceptual Framework

The conceptual frame work has been summarized in the figure 1. It shows how the independent variables which are related to entrepreneurial skills, impact on the performance of the jua kali business and therefore dependent variables. The level of influence of the independent variable is limited by the moderating variables which are training curriculum of the various schools attended by artisans, the artisan's level of experience in the informal sector and the reasons for entry into the informal sector.

#### **CHAPTER THREE**

#### RESEARCH METHODOLOGY

#### 3.1. Introduction

In this chapter the researcher explains the methods that were used to collect both the primary and secondary data. The methodology acknowledged the biases cum limitations of the various modes of data collection and as advised by (Kothari, 2004). The path to find answers to research questions constitutes research methodology (Kumar, 2005). Included in this chapter as well, are the analytical methods employed in the research.

## 3.2. Research Design

The research design was based on survey method. This is because the research collected data from a representative sample of the population in order to determine the current status of that population (informal sector design artisans) with respect to one or more variables, generalizing its findings (Mugenda and Mugenda, 1999). A survey is at the same time a good and easy way to collect data from points of view or opinions, information on attitudes and reasons for behavior (Nachmias & Nachmias, 1996). Survey research seeks to obtain information that describes existing phenomena by asking individuals about their perceptions, attitudes, behavior or values (Mugenda & Mugenda, 1999). Babbie (2004) says that a survey includes cross-sectional and longitudinal studies using questionnaires of structured interviews for data collection, with the intent of generalizing from a sample to a population.

## 3.3. Target Population

The target population for this study was 200 artisans working in the jua kali sector in Makina market in Kibera. A population is a complete set of individuals, cases or objects with some common observable characteristics (Mugenda & Mugenda, 1999). Informal sector artisans who operate in Makina market in Kibera constituency, Nairobi County were the target population. Most of the artisans were self-taught artisans who are self-employed some of the artisans had had formal education from technical schools and polytechniques. The population was selected as

most artisans in the market participated in jewelry design, dress making, soft furnishings, making of bags and sandals. The proximity of the artisans in terms of logistics and time was convenient for the researcher and the researcher's past working relationship with the artisans had already created a good working relationship.

## 3.4. Sampling Procedure

This research used quota sampling, that involved 20 artisans who participate in jewelry design, dress making, sandal making, bags, soft furnishings and a mix of all the above. Random sampling was used so as to avoid biases on the target population. The respondents were picked by simple random procedure. Makina market has approximately 530 artisans. Those who participate in the making of jewelry, dresses, soft furnishings, bags and sandals make up almost half of this population as they are approximately 200. The research employed the use of non-proportional quota sampling to select 20 samples from the population. Out of the 200 artisans, there were 65 jewelry artisans, 47 dress makers, 16 soft furnishing makers, 20 sandal makers, 31 bags artisans and the 21 others were involved in a mix of all the above. The researcher used 10% sample size of the target population.

**Table 3.1: Target Population and Sample Size** 

Table 3.1 shows the quota sampling of the target population to come up with the sample size.

Respondent	Target Population	Sample size	
Jewelry artisans	65	7	
Dress makers	47	5	
Soft furnishing makers	16	2	
Sandal makers	20	2	
Bags artisans	31	2	
Mixed businesses	21	2	
Total	200	20	

#### 3.5. Methods of Data Collection

The data was collected using both qualitative and quantitative methods. By using qualitative research, researchers are able to collect data and explain phenomena more deeply and more exhaustively (Mugenda and Mugenda, 2003). The collection of data was done using questionnaires, observation and interviews.

Considering that this research employed both qualitative and quantitative design, the researcher used key informant interviews. Key informants were used for triangulation of the data collected and as secondary sources of data.

In order to learn the perspectives held by the design artisans in Makina market, the researcher made observations on the study population. The researcher went to Makina market where the artisans operate from and observed them as they went about their day to day activities. This was aimed at getting to know and gaining a deeper understanding of the artisans with respect to the

research objectives. The data obtained from the participants' observations was meant to serve as a check against the participants' subjective reports if any on the questionnaires.

Questionnaires were used to gain primary data. These questionnaires were simple and self-explanatory to avoid personal and direct questions that could have led to biases on the research. Since the administration of the questionnaires was simple, the drop and collect mode of administration was used.

An interview guide was used to interview the key informants who consisted of Market representatives who were in charge of representing the artisans in the area and some non-governmental organization workers who have been involved in the informal sector for a long time.

## 3.6. Reliability

Through a pretest of the questionnaires, the reliability of the sentence sequence, the wording and structure was ensured. The reliability index was however calculated from the test-retest techniques where the researcher formulated closed ended research questionnaires that were administered the first week and related open ended questionnaires that were administered two weeks later. The scores from the two tests were correlated by use of the spearman's correlation coefficient. The correlation coefficient was found to be 0.95, hence the results of the research were considered to be reliable.

## 3.7. Validity

The researcher constructed the questionnaires and pre-tested them to ensure that there was no ambiguity or offensive questions. Validity is concerned with the questions, "Am I measuring what I intended to measure?" (Nachmias & Nachmias, 1996). The researcher also sort expert opinion on the representativeness and suitability of questions. In this way content validity of data collected was ensured. (Mugenda & Mugenda, 1999) says that the validity of research is concerned with the extent to which the researcher can depend confidently on the information gathered through various sources of data chosen.

# 3.8. Operational Definition of Variables

The Independent and dependent variables were operationalized according to the objectives of the research, Study design, data analysis, operational definition and indicators.

**Table 3.2: Operationalization of variables** 

Objectives	Variable	Study Design	Data Analysis	Operational Definition	Indicators
establish how training influences business performance	Independent Variable Training	-Observation -Questionnaires	-Qualitative -Quantitative	Action of teaching artisans the skills required to produce design products.	✓ Quality of products ✓ Years of business experience
To determine whether education influences the level of business performance.	Independent Variable Level of Education	-Observation -Questionnaires	-Qualitative -Quantitative	The different stages of schooling as acknowledged and offered in the Kenyan education system.	✓ Educational Qualifications/Certi fications ✓ Management capability
To find out if attitude influences business performance	Independent Variable Attitude	-Observation -Questionnaires	-Qualitative -Quantitative	The way of thinking that is reflected in the artisans' behavior when going about their daily running of their businesses.	<ul> <li>✓ Reasons for entry into business</li> <li>✓ Business growth</li> <li>✓ Vision for the future</li> </ul>
	Dependent Variable Quality of Design Products	-Observation -Questionnaires	-Qualitative -Quantitative	The level of craftsmanship of in a product	✓ Visual presentation of the product ✓ Sales
	Dependent Variable  Business Management	-Observation -Questionnaires	-Qualitative -Quantitative	The ability to maintain and run a profitable business venture	✓ Book keeping ✓ Interaction with subordinates
	Dependent Variable  Survival and growth in the informal sector	-Observation -Questionnaires	-Qualitative -Quantitative	Business existence and expansion	✓ Years in the sector ✓ Reasons for entry into the sector

#### 3.9. Ethical Considerations

Before carrying out the research at Makina market in Kibera Constituency, the researcher asked for the approval of the market representative. This market representative was instrumental in introducing the researcher to the artisans and helping to explain to them that the research was purely academic and that the research would maintain the anonymity of the respondents and not use its findings for any other purposes that the one mentioned. Care was taken to also formulate questionnaires that were not offensive to the respondents in terms of questions asked. During the data analysis, the researcher was careful to edit without altering the views and information presented by the respondents during the research.

#### **CHAPTER FOUR**

#### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1. Introduction

This chapter provides an analysis of data collected from the field. The results have been presented in tables and content delivery to highlight the major findings. They are also presented sequentially according to the research questions of the study. Mean scores and standard deviations analyses have been used to analyze the data collected. The raw data was coded, evaluated and tabulated to depict clearly the influence of entrepreneurial skills on performance of the design sector in Kenya.

#### 4.2. Response Rate

The study targeted a sample of 20 respondents who were involved in jewelry design, dress making, sandal making, bags and soft furnishings to whom questionnaires were distributed. However only 18 questionnaires were returned filled thus making a response rate of 90%, which is an adequate response rate for statistical reporting. According to Mugenda and Mugenda (2003), a response rate of 50% and above is a good for statistical reporting.

#### 4.3. Demographic Characteristics

The study sought to establish the information on the respondents employed in the study with regards to the gender, age, academic background, duration of service in the sector. These bio data points at the respondents' appropriateness in answering the questions and also looks at the involvement demographics in entrepreneurship at the design sector in Kibera market.

**Table 4.1: Gender Demographics** 

Respondents were asked to indicate their gender. This information is indicated in table 4.1.

Gender	Frequency	Percentage	
Male	12	67	
Female	6	33	
Total	18	100	

The study findings in table 4.1 show that a majority of the respondent (67%) were male while 33% were female. The study findings show that the information collected to establish the influence of entrepreneurial skills on performance of the design sector reflected perspectives from both gender.

**Table 4.2: Age Demographics** 

When asked to indicate the age brackets within which they were, respondents provided the information shown in table 4.2.

Age (Years)	Frequency	Percentage
21-30	3	17
31-40	9	50
41-50	4	22
50 and above	2	11
Total	18	100

The study findings in 4.2 show that a majority of the respondent (50%) were aged between 31 and 40 years followed by 22% of the respondents aged between 41 and 50 years. The respondents aged between 21-30 years were 17% while those aged above 50 years were 11%. The study findings show that artisans of Kibera Market are of different ages; youth, middle aged and old persons. The findings also reveal that most of the respondents were between 31 and 40 years of age and therefore had rich experiences which rendered them conversant enough with the influence of entrepreneurial skills on performance of the design sector.

**Table 4.3: Experience Demographics** 

One of the questions asked to the respondents was the number of years of experience in the design sector. Their responses were as follows:

No of years in the design sector	Frequency	Percentage
		(%)
Less than 2 years	2	11
3-5 years	5	28
6 – 10 years	8	44
10 and above	3	17
Total	18	100

The findings in table 4.3 show that majority 44% of the respondents had been in the sector for between 6-10 years, 28% indicated they had been in the sector for 3-5 years, 17% were in the sector for over 10 years while 11% were in the sector for less than 2 years. This shows that

majority of the respondents had rich experience and were therefore in a position to respond effectively on the influence of entrepreneurial skills on performance of the design sector.

**Table 4.4: Training Background** 

Respondents were asked to indicate the level of training that they had undergone before joining the design sector. The data collected was as follows:

Training background	Frequency	Percentage
Self-taught/talent	4	22
Training school	5	28
Technical training	7	39
certificate	2	11
Total	18	100

The study findings in Table 4.4 show that 39% of the respondents had gone to technical school, 28% had trained in their areas of specialization, and 22% were self-taught while 11% had attained education up to certificate level. The findings show that the artisans had different training background and were therefore in a good position to clearly show the influence of training on performance of artisans in jua kali sector.

The respondents were asked to indicate their reasons for joining the design sector. Table 4.5 summarizes their answers.

Table 4.5: Decision to Join Design Sector

Table 4.5 shows the frequency of responses given by respondents, when they were asked for the reasons that made them decide to join the design sector.

Decision to join the design sector	Frequency	Percentage
Talent	7	39
Lack of jobs in the formal sector	5	28
Family influence	2	11
Acquired trained skills	4	22
Total	18	100

The study findings in Table 4.5 show that majority 39% of the respondents joined the design sector because they had a talent in doing the business.28% indicated that they joined because of lack of jobs in the formal sector, 22% joined because they had gone for training in their area of specialization while 11% had joined the sector due to family influence.

#### 4.4. Training and Entrepreneurship

Within education as an objective, there was the aspect of training. The researcher administered questions that sort to show the relationship between training and entrepreneurship. The results are as indicated in the following paragraphs.

## 4.4.1. Impact of Training on Entrepreneurial Skills

Training prepares individuals for creating their own employment by providing them with technical skills in handling business. School and education systems play a critical role in identifying and shaping entrepreneurial traits. Education, especially education that provides technological training is crucial to enhance entrepreneurs' innovation skills in an increasingly

challenging environment. Woven into the model is the local learning environment and the macro environment. Education imparts students with entrepreneurial, communication, financial, management and leadership skills which are essential for entrepreneurs.

#### 4.4.2. Importance of Training in Improving Business Performance

The key informants were also asked to indicate their level of agreement with the statements in regards to importance of gaining the skills in improving performance. Table 4.6 indicates the results of the study.

#### 4.5. Influence of Entrepreneurial Skills on Design Sector Performance

From the title of the research, the researcher formulated questions to help find out more about the influence of entrepreneurial skills on the design sector performance.

**Table 4.6 Entrepreneurial Skills** 

The researcher asked the respondents several questions in relation to entrepreneurial skills. The responses to those questions are as indicated in in Table 4.6.

Skills	Mean	Standard Deviation
Communication Skills-competencies such as assertiveness, capacity for teamwork, persuasiveness and presentation skills	4.5261	0.6254
Creative Thinking and Innovation Skills	4.3125	0.3261
Decision Making Skills	4.2267	0.4215
Self-related Competences- e.g. personality skills, develop self-awareness and build self-confidence	4.0625	0.3265

The respondents strongly agreed that Communication Skills-competencies such as assertiveness, capacity for teamwork, persuasiveness and presentation skills were very important with a mean of 4.5261, they also agreed that skills like Creative Thinking and Innovation Skills, Decision Making Skills and Self-related Competences like; personality skills, develop self-awareness and build self-confidence were also important with means of 4.3125, 4.2267 and 4.0625 respectively.

#### **4.5.1.** Challenges Faced When Training

When interviewed, experts from the informal sector said that training offered by the public sector is considered theoretical in focus without sufficient opportunities for practice and biased toward white-collar jobs in the wage sector. Entry requirements and fees are often too high and the training methods used better suited to a more literate population. The courses offered are considered rigid and too standardized to meet the multi-skilling needs of the highly diverse informal sector.

#### 4.6. Education

The research pointed out education as one of its independent variables. The research therefore sort to find out the importance of education in the informal sector, the various education factors and the challenges of lack of education.

#### 4.6.1. Importance of Education in the Informal Sector

Experts claimed that education is important to: acquire knowledge germane to entrepreneurship; acquire skills in the use of techniques, in the analysis of business situations, and in the synthesis of action plans; identify and stimulate entrepreneurial drive, talent and skills; to undo the risk-adverse bias of many analytical techniques; to develop empathy and support for all unique aspects of entrepreneurship; to devise attitudes towards change; to encourage new start-ups and other entrepreneurial ventures.

Additionally, the experts asserted that entrepreneurship education in Kenya is targeted to produce entrepreneurs who are able to create own jobs rather than seeking employment in any

organization. The education conveys entrepreneurial knowledge and develops in students, focused awareness relating to opportunity, recognition and the creation of new ventures. It provides individuals with the ability to recognize commercial opportunities and the knowledge, skills and attitudes to act on them. Therefore, entrepreneurship education can be seen as a process of imparting learners with entrepreneurial knowledge, skills and attitudes through a formal structured instruction. Develop enterprising people and inculcate an attitude of self-reliance using appropriate learning processes.

#### 4.6.2. Education Factors

The respondents were asked to rate the education factors. The study findings are indicated in table 4.7.

#### **Table 4.7 Education Factors**

Table 4.7 indicates different levels of agreement on education factors that influence the performance of the design sector.

Education factors		Standard
Education factors	Mean	Deviation
School and education system play a critical role in identifying and	4.3847	0.4124
shaping entrepreneurial traits	4.3047	0.4124
Education that provides technological training is crucial to enhance		
entrepreneurs' innovation skills in an increasingly challenging	3.8651	0.8647
environment		
Those with technical education certificates were regarded as better		
skilled in entrepreneurship and that they were quick to learn new tasks	3.9781	0.6002
and improved business capabilities.		
services offered depended on the craftiness of the person, customers'		
specifications and that the clients' money demanded better products	3.6251	0.6541
and quality of the products		
Operatives with entrepreneurship education are more organized in their	2005	0.0505
work compared to those with lower qualifications	3.9652	0.8625

The respondents agreed that School and education system play a critical role in identifying and shaping entrepreneurial traits with mean of 4.3847, they also agreed that Those with technical

education certificates were regarded as better skilled in entrepreneurship and that they were quick to learn new tasks and improved business capabilities, with mean of 3.9781 and Education that provides technological training is crucial to enhance entrepreneurs' innovation skills in an increasingly challenging environment with mean of 3.8651. Others were in agreement that Operatives with entrepreneurship education are more organized in their work compared to those with lower qualifications with mean of 3.9652 and services offered depended on the craftiness of the person, customers' specifications and that the clients' money demanded better products and quality of the products with mean of 3.6251. This indicates that education is crucial to successful performance of the business.

#### **4.6.3.** Challenges of Lack of Education

Informants said that lack of knowledge of business accounting, administration and management are some of the challenges of lack of education. The success of artisans in business in the informal sector greatly depends on entrepreneurial management skills they gained in college though entrepreneurship education subject. This shows that young people are afraid to start their own businesses because they are not confident, not capable, and lack knowledge in starting a business.

#### 4.7. Attitude Factors

The researcher formulated questions that were aimed at getting to know the various attitudes that summed up to being entrepreneurial attitudes that influenced the performance of the design sector.

## **Table 4.8 Entrepreneurial Attitudes**

In table 4.8, the researcher presents the responses that were received when responses were asked about various entrepreneurial attitude factors and how much they influenced performance in the design sector.

Entrepreneurial attitudes factors		Standard
Entrepreneurial attitudes factors	Mean	Deviation
Entrepreneurship is important in the economic growth and development as well as competitive advantage of the business	4.5124	0.8728
Entrepreneurship provides individuals the opportunity to enrich their working careers and increase personal wealth	4.4517	0.6251
Encouraging the enterprise spirit is a key to creating jobs and improving competitiveness and economic growth throughout the country	4.0324	0.7112
Entrepreneurial attitudes and understanding are an essential factor such that people learn not to depend on current events, but to be capable of actively managing their future.	4.3265	0.7421
Entrepreneurship competences and abilities are able to change peoples' lives by giving them a chance of fulfillment at professional levels	4.6257	0.6215

The findings in Table 4.8 indicate that the respondents strongly agreed that Entrepreneurship competences and abilities are able to change peoples' lives by giving them a chance of fulfillment at professional levels and Entrepreneurship is important in the economic growth and development as well as competitive advantage of the business with means of 4.6257 and 4.5124. They agreed that Entrepreneurship provides individuals the opportunity to enrich their working careers and increase personal wealth (4.4517) and Entrepreneurial attitudes and understanding are an essential factor such that people learn not to depend on current events, but to be capable of actively managing their future (4.3265). This shows that attitude matters a lot when doing the design business.

### 4.7.1. Self-Employment Attitudes

The key informants were asked to indicate how self-employment attitudes affect performance the table below shows the findings.

**Table 4.9 Self Employment Attitudes** 

The respondents were asked to grade some self-employment attitudes and drives and how they thought they impacted on the artisans. The findings are displayed in table 4.9.

Self-employment attitudes and drives	Mean	Standard Deviation
The motive to pursue self-employment (or other entrepreneurial behavior);	4.0374	0.6251
The perception of an apparently lucrative entrepreneurial opportunity	4.6201	0.9641
Access to the means to pursue that opportunity.	3.8211	0.3251

The results showed that the respondents strongly agreed that the perception of an apparently lucrative entrepreneurial opportunity. They agreed that the motive to pursue self-employment (or other entrepreneurial behavior); and access to the means to pursue that opportunity with means of 4.0374 and 3.8211 respectively.

#### **CHAPTER FIVE**

#### FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents a summary of the study findings, discussion, conclusions, and recommendations. The findings are summarized in line with the objective of the study, which was to establish the influence of entrepreneurial skills on performance of the informal design sector: a case of jua kali artisans in Kibera constituency, Nairobi County. The findings are from the data collected from the artisans and from key informants.

#### 5.2 Summary of Findings

The researcher summarized the findings of the research into different sub headings that were formulated to help in the research process.

#### 5.2.1 Training and Entrepreneurship

Experts agreed that training contributes towards business performance of jua kali artisans in the informal sector by fostering the right mindset, by raising awareness of career opportunities as an entrepreneur or self-employed person, and by motivating participation in business skills. The research revealed that 78% of the artisans interviewed had been through one form of training or the other. These trainings included having been to training school, technical training and certificate programmes. Only 22% of the sample population was self-taught. The findings showed that the respondents agreed that training helped in acquisition of important entrepreneurial skills such as communication skills, creative thinking and innovative skills, decision making skills and self-related competencies. The research also found that the artisans had different reasons other than train for their participation in the informal design sector, the strongest reason being that they were talented.

#### 5.2.2 Education

The respondents strongly agreed that the school and education system play a critical role in identifying and shaping entrepreneurial traits as entrepreneurial competences should be acquired throughout lifelong learning. They also agreed that education provides technological training is crucial in enhancing the entrepreneur's innovative skills in an increasingly challenging environment. Another thing that the respondents agreed on was that the craftsmanship of an artisan was determined by the customer's requirements and the amount of money paid for the products. Finally, the respondents strongly agreed those with entrepreneurship education were more organized in their work compared to those with lower or no education.

#### 5.2.3 Attitudes

The intention of an individual to behave entrepreneurially arises because the entrepreneur perceives self-employment (or entrepreneurial behavior within an organization) to be utility-maximizing, and thus forms the motivation to behave entrepreneurially. As argued elsewhere, the intention to behave entrepreneurially depends on the human capital of the individual. Here the researcher argues that human capital includes not only personal abilities and social capital but also innate attitudes to aspects of entrepreneurship, such as independence, firm ownership, and risk. Thus the motive for pursuing self-employment (or any other entrepreneurial behavior) is considered as a function of an individual's abilities and attitudes.

When asked to indicate how self-employment attitudes affected performance, there was an overwhelming agreement that it was guided by the perception of an apparently lucrative entrepreneurial opportunity. This means that when the entrepreneur is determined to succeed, they put more effort into their businesses and therefore translating into success of the artisan in the informal jua kali sector. From the findings, the other aspect that was seen as to contribute towards attitude was the motive of the artisan to pursue self-employment (or other entrepreneurial behavior). The one thing that was not as strong was the access to the means to pursue that opportunity.

#### 5.3 Discussions

The researcher agrees with the literature reviewed that suggested that the informal sector in its current state cannot make meaningful contribution to the economy. The available training facilities for artisans in the design sector are carried out based on ancient curriculum that does not take into account the current industry needs of these artisans. Having found that talent also plays a big role in influencing artisans' decision to join the informal sector, the researcher is of the opinion that individuals who show an inclination towards the design sector should be natured and encouraged to participate more and improve themselves. Another thing that came out during the research was that there was almost no indication of government visibility in the design sector. This was because, there did not seem to be any form of help in terms of product standardization, quality control and information of copy rights registration. The research also complemented the literature reviewed that suggests that most people in the informal sector were there as a result of family influence. The businesses that they had were inherited from family and were also a source of family livelihood.

The researcher also found out that there are many nongovernmental organizations that work with design artisans in Kibera constituency. These organizations need to work together with the government so that there can be meaningful advancement and gains in the informal sector in Kenya. Most artisans also work as though they are not governed by any laws, rules and regulations. This could pose a problem in the future because the artisans work directly with human beings who are their clients and consumers. The research also revealed that a good level of education helped the artisans be more open- minded and create products that took into account design aspects such as aesthetics, ergonomics and sustainability. Although a few exceptional individuals are born entrepreneurs, the development of an entrepreneurial attitude can be encouraged in people, starting in school. Also, the relevant technical and business skills need to be provided to those who choose to be self-employed and/or to start their own venture. However, entrepreneurship should not be considered just as a means for creating new businesses, but as a general attitude that can be usefully applied by everyone in daily life and in all working activities.

#### **5.4 Conclusion**

The study has shown that technical and vocational education contributes immensely to the everyday operations of the informal sector. Those with technical and vocational education tended to do better than those without or with general education. The formulated hypothesis that there was a positive relationship between education and business performance of jua kali artisans in Makina market was thus qualified.

On the matter of training, the research showed that a high percentage of the participants in the informal sector were not necessarily guided by training but were guided by talent. While training was not necessarily a predominant factor, it was found to be a useful component as it helped to enforce qualities such as communication skills, creative thinking and innovation skills and other self-related competencies. The experts believed that training goes a long way in imparting useful design skills in the artisans that helped them to perform better in the informal sector. The findings therefore also qualified the hypothesis that there is a positive relationship between training and business performance of jua kali artisans in Makina market.

When the researcher assessed the aspect of entrepreneurial attitude, the findings revealed that it is an essential factor in business performance as businesses are not smooth sailing. The attitudes are guided by the motivation to pursue self-employment, the perception of an apparently lucrative entrepreneurial attitude and access to the means to pursue that opportunity. With these findings on attitude, the alternative hypothesis was satisfied that in deed there is a positive relationship between an artisan's entrepreneurial attitude and his/her business performance in the jua kali sector in Makina market.

#### **5.5 Recommendations**

The study recommends the following:

- 1. Schools teach and train skills which are directly usable in the informal sector.
- 2. The government and stakeholders should come up with training programmes for those already working in the informal sector.
- 3. A needs analysis research should be carried out to determine the exact educational requirements useful in the informal sector.
- 4. The government agencies and Training Institutions should continuously take stock of the existing and anticipated demands for skilled labor in collaboration with industry in order to ensure the provision of relevant training and flexible curricula design and development.

#### **5.6 Suggestions for Further Research**

This research focused on the influence of entrepreneurial skills on the performance of the design sector. However, it acknowledges that entrepreneurial skills are not the only aspects that could influence performance of the informal sector but there are other variables such as the government policy and accessibility of financial capability to perform and participate in the informal sector. The researcher therefore feels that these two areas can be aspects and areas for other researcher in to build up on.

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#### **APPENDICES**

## **Appendix1: Letter of Transmittal**

Mercy Miyandazi

University of Nairobi

School of Continuing and

**Distance Education** 

#### To the Chairman

#### **Makina Market**

26/07/2012

#### Dear sir

I would like to inform you of my intention to carry out an academic research involving artisans from Makina market. I am a Masters student at the school of Continuing and Distance Education at the University of Nairobi. My research is purely academic and so are the findings. Your introduction to the artisans and any necessary assistance accorded will be greatly appreciated.

Thank you for your assistance and cooperation.

## **Appendix2: Questionnaire to Artisans**

## Questionnaire

This questionnaire is to collect data for purely academic purposes. All information will be treated with strict confidence. Do not put any name or identification on this questionnaire. *Answer all* questions as indicated by either filling in the blank or ticking the option that applies.

#### **SECTION A: PERSONAL INFORMATION**

1.	What is your gender?	(tick one)			
	Male	() Female	()		
2.	Age(tick one)				
21 -30	( ) 31-40	( )	41- 50	( )	51 and above ()
3.	What is your academi	c background			
Certifi	cate ( ) Diploma	( )	Undergraduat	e( )	Postgraduate ( )
4.	How long has your bu	isiness been in	existence?		
	Less than 3 years ( )	3 to 5 years (	) 5 to 7 years	( ) Or	ver 7 years ( )
5.	What made you join t	he Jua kali sec	tor		
	Talent ( ) lack of jobs	s in the formal	sector ( ) famil	ly influe	ence ( ) acquired trained skills

## **Appendix3: Interview Schedule for Key Informants**

# SECTION 'B' INFLUENCE OF ENTERPRENUERIAL SKILLS ON THE PERFORMANCE OF DESIGN SECTOR

## **Training and entrepreneurship**

6. In what ways does our education system of entrepreneurship?	ter the	best tr	aining	groun	d for
			•••••		•••••
		••••••	••••••	•••••	•••••
7. How is experience important in the informal sector	or for the	ose who	want	to start	t their
business?					
	••••	• • • • • • • • • • • • • • • • • • • •	•••••	•••••	••••••
		•	••••••	•••••	•••••
8. Rate the following skills according to their level	l of imp	ortance	in per	forman	ice of
entrepreneurship in the sector					
Skills	1	2	3	4	5
Communication Skills-competencies such					
as assertiveness, capacity for teamwork, persuasiveness					
and presentation skills					
Creative Thinking and Innovation Skills					
Decision Making Skills					
Self-related Competences- e.g. personality skills, develop					
self-awareness and build self-confidence					

## Education

9. What is the importance of education in the informal sector?					
	•••••	•••••	•••••	•••••	•••••
••••••	•••••	•••••	•••••	•••••	•••••
		-	-		
<b>Education factors</b>	1	2	3	4	5
School and education system play a critical role in identifying and					
shaping entrepreneurial traits					
Education that provides technological training is crucial to enhance					
entrepreneurs' innovation skills in an increasingly challenging					
environment					
Those with technical education certificates were regarded as better					
skilled in entrepreneurship and that they were quick to learn new tasks					
and improved business capabilities.					
tended to confirm that services offered depended on the craftiness of					
the person, customers' specifications and that the clients' money					
demanded better products and quality of the products					
Operatives with entrepreneurship education are more organized in their					
work compared to those with lower qualifications					
10. What are the main challenges faced by those who lack education is	n this	secto	r?	1	
	•••••	•••••	•••••	•••••	•••••
	•••••	••••			

## Attitude

11. What do you think about the following statement on entrepreneurial attitude

Entrepreneurial attitudes factors	1	2	3	4	5
Entrepreneurship is important in the economic growth and					
development as well as competitive advantage of the business					
Entrepreneurship provides individuals the opportunity to enrich					
their working careers and increase personal wealth					
Encouraging the enterprise spirit is a key to creating jobs and					
improving competitiveness and economic growth throughout					
the country					
Entrepreneurial attitudes and understanding are an essential					
factor such that people learn not to depend on current events,					
but to be capable of actively managing their future.					
Entrepreneurship competences and abilities are able to change					
peoples' lives by giving them a chance of fulfillment at					
professional levels					

11. To what extent do you agree with the following statements in regards to selfemployment attitudes

Self-employment attitudes and drives	1	2	3	4	5
The motive to pursue self-employment (or other entrepreneurial					
behavior);					
The perception of an apparently lucrative entrepreneurial					
opportunity					
Access to the means to pursue that opportunity.					

12. What is the importance of entrepreneurship	
1 1	
•••••••••••••••••••••••••••••••••••••••	•••••