

FACTORS INFLUENCING SUSTAINABILITY OF MICRO AND SMALL SCALE ENTERPRISES (SMES) PROJECTS FUNDED UNDER THE WOMEN ENTERPRISE FUND IN MOMBASA COUNTY, KENYA

BY

SESYLINE KAMUKU

A RESEARCH PROJECT PRESENTED FOR PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF ARTS DEGREE IN PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI.

2015

DECLARATION

This research project report is my original work and has not been submitted to any other university or institution of higher learning for examination.

SESYLINE KAMUKU

REG NO: L50/60865/2013

Signature **Date**

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

MR. JOHNBOSCO KISIMBII

LECTURER, DEPARTMENT OF EXTRA-MURAL STUDIES

UNIVERSITY OF NAIROBI

Signature..... **Date**

DEDICATION

This work is dedicated to my lovely husband, my lovely sons Muthaura and Munene and my parents. You are a blessing to my life.

ACKNOWLEDGEMENT

I wish to express my gratitude to the University of Nairobi for giving me the opportunity to undertake this course. To my supervisor, Mr. Johnbosco Kisimbii, thank you for guiding me through the entire project proposal. To the course lecturers, staff in the department of Extra Mural Studies, your invaluable support enabled me to successfully go through this course.

I wish to thank my colleagues who were a source of encouragement thus enabling me to go through this course. My lovely brother Festus Marira and his family, Mr. and Mrs. Alex Kainga, Carol Maitima, Mercy Kamotho, Ken Gitonga, Violet Muthiga, Musa Mureithi, Mr. Mzungu, Mr. Guda, Jackson, Jafar Mohamed, Mr. Munga, the family of James Mwongera and the family of Joseph Kiringuri . Last but not least, I wish to thank God almighty for his health, provisions and protection throughout the times, seasons and moments of study for this degree.

TABLE OF CONTENTS	page
DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
TABLE OF CONTENTS.....	v
LIST OF FIGURES.....	ix
LIST OF TABLES.....	x
ACRONYMS AND ABBREVIATIONS.....	xii
ABSTRACT.....	xiii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background to the Study.....	1
1.2 Statement of the Problem.....	6
1.3 Purpose of the Study.....	7
1.4 Objectives of the Study.....	7
1.5 Research questions.....	8
1.6 Research Hypothesis.....	8
1.7 Significances of the Study.....	8
1.8Basic Assumptions of the study.....	9
1.9 Limitations of the study.....	10
1.10 Delimitations of the Study.....	10
1.11Definition of Significant Terms.....	10

1.12 Organization of the Study.....	11
CHAPTER TWO: LITERATURE REVIEW.....	12
2.1 Introduction.....	12
2.2 Role of Financial Resources SMEs Projects Sustainability.....	12
2.2.1 Sources of Financial Resources and SMEs Projects Sustainability.....	12
2.2.2 Financial Management Skills and Women Owned SMEs Financial Sustainability.....	15
2.3 Socio-Cultural Factors and their Influence on Sustainability of Women Run SMEs.....	17
2.3.1 Impact of Entrepreneur’s Age on Business Performance.....	18
2.3.2 Influence of Entrepreneurs’ Experience on Sustainability of Women Run SMEs.....	19
2.3.3 Impact of Formal Education on Sustainability of Women Run SMEs.....	20
2.3.4 The Influence of Entrepreneur’s Religious Background on the Sustainability of SMEs...	21
2.4 Marketing Strategy and Sustainability of Women Run SMEs.....	22
2.5 Technology and Sustainability of Women’s Micro and Small Scale Enterprises.....	24
2.6 Conceptual Framework.....	27
2.7 Summary of Literature Review	28
CHAPTER THREE: RESEARCH METHODOLOGY.....	29
3.1. Introduction.....	29
3.2 Research Design.....	29
3.3. Target Population.....	29
3.4 Sample Size and Sampling Procedure.....	30
3.5 Data Collection Instruments.....	31

3.6. Validity and Reliability of Research Instruments	32
3.6.1 Validity of instruments.....	32
3.6.2 Reliability of the instrument.....	32
3.7. Data Collection Procedure.....	33
3.8. Data Analysis.....	33
3.9 Ethical Considerations.....	33
3.11 Operational Definition of Variables.....	34
CHAPTER FOUR: DATA ANALYSIS,PRESENTATIONS AND INTERPRETATION.	35
4.1. Introduction.....	35
4.2 Questionnaire return rate.....	35
4.3. Demographic characteristics of respondents.....	35
4.3.1. Gender.....	36
4.3.2. Age of respondents.....	36
4.3.3. Education background.....	37
4.4. Financial resources and SMEs project sustainability.....	37
4.4.1. First hypothesis on Financial resources and sustainability of SMEs	39
4.5 Socio-cultural factors and SMEs projects sustainability.....	40
4.5.1. Second hypothesis on socio-cultural factors and SMEs projects sustainability.....	41
4.6. Marketing strategy and sustainability of SMEs.....	42
4.6.1 Third hypothesis on marketing and Sustainability of SMEs.....	43
4.7. Technology factors and SMEs projects sustainability	44

4.7.1 Fourth hypothesis on technology and implementation of SMEs.....	45
CHAPTER FIVE: SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS.....	47
5.1 Introduction.....	46
5.2 Summary of findings.....	46
5.3 Discussions	47
5.4 Conclusions.....	49
5.5 Recommendations for policy action.....	49
5.5.1 Recommendations for further studies.....	50
5.6 Contribution to the body of Knowledge.....	50
REFERENCES.....	51
APPENDICES.....	56
APPENDIX 1 Letter of transmittal.....	56
APPENDIX 2 Respondents Questionnaire.....	57

LIST OF FIGURES

page

Figure 1: Conceptual Framework.....27

LIST OF TABLES

page

Table 3.1	Target Population.....	30
Table 3.2	Sample population	31
Table 3.3	Operationalization variables.....	34
Table 4.1	Questionnaire return rate.....	35
Table 4.2:	Gender of Respondents.....	36
Table 4.3:	Age of Respondents.....	36
Table 4.4:	Education Level of Respondents.....	37
Table 4.5:	Frequency table on financial resources.....	38
Table 4.6	Showing observed and expected responses on relationship between Financial Resources and sustainability of SMEs.....	39
Table 4.7	Showing Chi-Square testing for the first hypothesis.....	39
Table 4.8:	Frequency table on marketing factors.....	40
Table 4.9	Showing observed and expected responses on relationship between Socio-cultural Factors and sustainability of SMEs.....	41
Table 4.10	Showing Chi-Square testing for the second hypothesis.....	41
Table 4.11:	Frequency table on marketing strategy.....	42
Table 4.12	Showing observed and expected responses on relationship between Marketing and Sustainability of small scale and micro enterprises funded under Women Enterprise fund in Mombasa County, Kenya	43
Table 4.13	Showing Chi-Square testing for the third hypothesis.....	43

Table 4.14:	Frequency table on Technological factors.....	44
Table 4.15	Showing observed and expected responses on relationship between technology And sustainability of small scale and micro enterprises funded under Women Enterprise Fund in Mombasa County, Kenya.....	45
Table 4.16	Showing Chi-Square testing for the fourth hypothesis.....	45

LIST OF ACRONYMS AND ABBREVIATIONS

EPROM	Entrepreneurial Programming and Research on Mobile Phones
ERSWEC	Economic Recovery Strategy for Wealth and Employment Creation
FIKA	Financial Knowledge for Africa
GDP	Gross Domestic Product
GOK	Government of Kenya
ILO	International Labour Organization
KCB	Kenya Commercial Bank
MDG	Millennium Development Goal
MFI	Microfinance Institutions
MPNDV	Ministry of Planning, National Development & Vision 2030
NGOs	Non-Governmental Organizations
OECD	Organization for Economic Cooperation and Development
POF	Order Theory or Framework
ROSCAS	Rotating Savings and Credit Associations.
SMEs	Small and Medium Organizations
SPSS	Statistical Programme for Social Sciences
US	United States
USAID	United States-AID
WEF	Women Enterprise Fund

ABSTRACT

About 60% SMEs projects run by women have been found to fail annually across the globe due to various prevailing reasons. This study however has the view that most SMEs run by women in the recent years have been doing a lot so as to place themselves strategically in the market and enhance their sustainability. The purpose of this study therefore was to find out the factors influencing the sustainability of SMEs projects run by women under the WEF in Mombasa county; Kenya. The study was guided by four objectives that sought to; determine the extent to which financial resources influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, examine the extent to which socio-cultural factors influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, examine the extent to which marketing influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, and, establish the extent to which technology influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. The objectives also formed the themes in literature review. A descriptive research design was adopted for the study. In the study purposeful sampling was used in accordance to the characteristics of the elements in the population possess. The research targeted managers/owners of women run SMEs in Mombasa County. The target population was 368 registered SMEs but a population sample of 79 was used. A pilot study was conducted to check the instruments reliability and validity. Data was collected using a structured questionnaire which was administered personally, via e-mails, enumerators and picked them after they had been filled. Data was coded and analyzed using the SPSS. The hypothesis was tested to determine the relationship between the independent and dependent variables using Pearson Chi-square at 95% level of confidence. The relationship between financial resources, Socio-cultural factors, marketing and technological factors influence the sustainability of Women Enterprise Fund in Mombasa County, Kenya. The researcher recommended that the National Government ought to improve on the sources of funding, promote entrepreneurial culture and also promote SMEs through provision of technology and marketing strategies.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to Razak (2010), Small and Medium-sized Enterprises (SMEs) have been recognized as catalysts to spur the economic prosperity of a nation. In many parts of the world, special focus has been given to the well-being of these SMEs in recognition of the important role they play in the development of the country. Everyone seems to believe that growth in small business enterprises will be the solution for saving the welfare society. Several studies show that the small business sector has a great importance for the national economy, the employment and the innovative climate Kassim & Sulaiman (2010). A body of literature has considered the nature of small business related to entrepreneurial skills and has been directed mainly at manufacturing firms and specifically those that touch on women. This in a way has given birth to women economic empowerment both in business and education (World Bank, 2010). Therefore, women economic empowerment has been and continues to be of major concern all over the world. This is because though women and girls constitute 52 per cent of the world's population and make up 33 per cent of the official labour force, they perform 67 per cent of all hours worked. Females form over 60 per cent of the illiterates, control only 10 per cent of the world's income and own less than 1 per cent of the world's real property; making them very poor and dependent on men thus a need for their engagement in workable and sustainable business activities, (Alby et al. 2012).

In the USA for example, despite the encouragement and support given to the women's SMEs projects, success stories are seldom heard, compared to failure. It appears that companies and entrepreneurs in this category managed to sail through, even in times of economic recession and crisis, but were not able to excel during times of economic growth and prosperity. The majority of these enterprises were able to sustain productivity and profitability, but not in terms of rate of growth (Al-Mahrouq, 2010). In his study of why USA spared prosperous economic growth in 1995-2004, Briggs (2009), noted that much of the economic growth and development came from over 42% of the small firms and industries that were run by women as a result of the women empowerment initiatives that was started by Bill Clinton, VOA and the World Bank. However, Nichter & Goldmark (2009) notes the slowed economic development experienced in the USA

economy between the years 2005 to present was as a result of almost 79% of the women run SMEs failing; thus raising the question of projects sustainability. A publication by the World Bank (2010) on the business situation in Washington DC among the women indicated that out of the 2000 women interviewed, 1500 had very pronounced small business in operation and 500 had pronounced business ideas but only 710 of these women had pronounced ideas on their businesses sustainability; thus having majority of these SMEs fail later in their lives.

Philip (2010) in his study on the Factors Affecting Business Success of Small & Medium Enterprises in the Tennessee valley of USA and Singapore discovered that men were more competitive in the SMEs sector than women and they sustained their growth, development, market expansion and stay in business for a long time than women. This called for an urgent address to sustainable plans for women owned SMEs in the two countries of study in 2009/2010 financial years. Among the factors that played a central role in financial sustainability were: Business education among the women and other stakeholders, the ever growing level of technology held by the individual, quality of businesses plans, businesses geographical locations, marketing strategies and market management penetration, available financial resources, cultural factors and tastes fashions and preferences. Yaqub and Hussain (2010) notes that major factors as little as security and customer services have a great role in women run SMEs projects sustainability in this 21st century.

According to Wright and Marlow (2012), women entrepreneurship has for a long time been playing a central role in south Africa owing to the fact that the country was under the Asians and whites up to 1994. the Asians owned and ran small businesses like shops, lending groups, entertainment joints and many more. However, little was owned by the local Afrikaans women like the Zulus just from the slums and poor rural homes. Wang (2012) in his study on SMEs in China, India and South Africa noted that south Africa had slowed development because most of the African women could not sustain themselves in SMEs projects despite the fact that they strongly needed these SMEs for survival after their husbands being held in the highly discriminative and lowly paying works in the gold mines. A number of factors interacted to hinder these women from successfully sustaining themselves in small businesses.

Alam (2010) noted that factors like level of technology, educational background of the entrepreneurs, socio-cultural factors like gender roles, financial resources availability, business

plant size, security, market base and marketing strategies greatly influenced the stay and survival of 90% of the SMEs run by women in South Africa, India, Pakistan and Malaysia. In its publication about the SMEs and Women in South Africa noted that SMEs in Emerging Economies (EE) have since 1990s been more competitive and crucial for economic growth, prompting for increased government interest and other stakeholders with the aim to contribute toward their potential success in South Africa. Likewise, African countries are increasingly strategically structuring their economic policies regarding SMEs projects especially those targeting the disadvantaged female gender. The South Africa's White Paper on National Strategy for the Development and Promotion of Small Business (1995) reinvented the wheel of small business development and women empowerment (World Bank, 2012). According to Viljamaa (2011), a major concern is still the unsuccessful rate and closure of small businesses at large. The majority of failure is attributed at the infancy stage and relatively a larger proportion fails within a few years after start-up, opine that substantially many of those who fail do not have the tolerance for hard work (Stats,2009).

In Malawi the role of women in micro and small enterprises (SMEs) is said to be in the rising trend over time. The study comparatively asserts that, at independence, the Malawian economy was dominated by the Europeans and Asians specializing in manufacturing and commerce, respectively but in the post-independence era a lot of policy changes have occurred and have contributed to the development of local and women entrepreneurship. Due to its potential in poverty reduction, the SMEs sector is receiving increased focus in development policies as stipulated in the Malawi Poverty Reduction Strategy Paper, in which it is singled out as one of the sectors that has the potential for achieving pro-poor growth in which women are to play a significant role (GOM, 2012). In their book entitled 'The study of leadership in small business organizations in the developing African states', Valdiserri and Wilson (2010) discovered that in Malawi 51% of women in Malawi were participating in one or two income generating activities that included roadside selling, open air market vending, hawking and many more. However, a similar study carried out 3 years later showed that 62% of these women who were operating SMEs projects in Malawi had failed or changed their course of action, 18% remained stagnant while only 20% had sustainable operations and continuity of their businesses Olawale & Garwe (2010).The world bank (2010) noted that operating a business in Malawi by a woman is easy but seeing its continuity and survival for a long time dependent on a factors that included:

availability of financial resources/amount of financial resources controlled by the women, levels of business education for the women, infrastructural facilities like transport and electricity, security, politics, and many more.

Similar studies carried out by the Republic of Uganda (2011) indicate that formal women run SMEs contribute about 20% more to employment and GDP than the informal enterprises. Thus, in this country, eliminating factors that discourage informal enterprises from entering the formal SME sector would also bring about gains in economic terms. This is evidenced by studies that give the fact that SMEs contribute over 3 times as much as the informal sector in both total employment (65%) and GDP (55%) in high-income countries like the USA currently, and that these countries are also taking initiative to bring as many informal enterprises as possible into the formal sector Semboja (2009). The report by Semboja further indicates that Hon. Museveni's leadership in Uganda for a long time has managed to sustain the economy through encouraging its female gender population to participate in SMEs projects like running money transfers, running vitenge shops in Kampala, selling matoke, selling fish and hawking movable foodstuffs. However, a report published by COMESA(2012) depicted Uganda as one country in east Africa that had good business plans for its women but were never sustainable for long since most of the women lacked sufficient financial resources, poor state of infrastructure in the country, political polarity, low level of technology, diluted system of education and many more.

In Kenya, Kioy (2011) argue that in addition to its importance in creating jobs, the small scale enterprise sector contributes 33% of the value-added in manufacturing and the retail trade in Kenya. Since women-owned enterprises comprise 48 percent of the total micro and small enterprises in Kenya though, the majority of these enterprises employs only the owner or less than five employees and tends to be informal Kiraka et al. (2013). Several non-governmental organizations are also involved in the efforts to promote micro and small enterprise under the umbrella name of small and medium enterprise development agencies (SMEDA). They include the World Bank, Africa Development Bank (AFDB), Asian Development Bank, International Monetary Fund (IMF) United Nation Industrial Development Organization (UNIDO) among others, showing just how important this sector is to international and local economy. According to an SME Baseline Survey (2009), fifty six per cent of formal businesses are located in the Nairobi region. On the other hand, informal sector enterprises are more widely distributed, with the majority found in the rural areas and informal urban settings. This survey highlights that

regional distribution of enterprises in Kenya indicates that about 13.3% of the micro, small and medium enterprises are located in Mombasa and Nairobi.

Even though several Kenya session papers have highlighted on the challenges and constraints faced by women in entrepreneurship for example, G.O.K session papers No.2 (2005) that highlighted gender disparity/ inequality, culture and traditional practices, lack of education, multiple roles, discrimination and, lack of information as the key issue affecting growth and sustainability of micro and small enterprises in Kenya, the Kenyan government also views women entrepreneurship as a key engine for faster economic growth and also as focus towards more specific objectives in supporting women in the developing world as indicated in Kenya vision 2030, (GOK, 2012). Numerous interventions have been put in place by several stakeholders including the equally numerous policy measures so as to eliminate the bottlenecks in women SMEs projects sustainability. However, little positive impact on growth and sustainability of women enterprises has been observed. It has neither been clearly established why else this enterprises may be stagnated or showing limited sustainability despite the fact that millions of shillings is allocated in annual national budget through agencies like women enterprise fund (WEF) to set up new enterprises and support the existing ones as well (Kaijage & Wheeler 2013).

According to Deloitte (2012), a total of Kshs.894 Million had been loaned to women, broken down as Kshs.685 Million through Financial Institutions (FIs) and Kshs. 209 Million through C-WES. However about 30% of the beneficiary projects is either stagnating or declining in performance indicating sustainability challenges. Most of the enterprises still rely heavily on WEF fund for their survival more than three years after their inception. In Changamwe sub-county about 40% of women population have formed groups of 10 members so as to access this loans from women enterprise fund Kenya. 15m shillings have so far been disbursed to more than 200 groups in three schedules of loan 1, loan 2 and loan 3. Most groups however seem to be having sustainability challenges as indicated by stagnation in most enterprises. A study in women owned SMEs in Likoni, Bombolulu, Mtwapa and Magongo in 2013 indicated that 67% of SMEs women projects that received funding from the government in 2008/2009 are either stagnant, changed their products of sale or have completely failed. Major reasons for the businesses un-sustainability cited included: lack of proper entrepreneurial education, poor business plans/visions/strategic plans, economic instability caused by rising cases of insecurity in

Mombasa, high competition from established firms, low levels of technology and many more (GOK,2013).

1.2 Statement of the Problem

In Kenya, over sixty percent of small business projects attached to women are estimated to fail each year (Kenya National Bureau of Statistics, 2009). Botha & Esterhuyzen (2013) observes that the health of the economy as a whole has a strong relationship with the financial health and nature of SMEs. However, despite government efforts in Kenya to promote women owned SMEs activity such as extending low rated loans; lenient loan terms and conditions of repayments; setting of special financial vehicles such as WEF and UWEZO funds, providing entrepreneurship education, providing relevant technology, security, enabling business environment among other endeavors, past records for SMEs are characterized by failures or early closures due to financial distress and other related factors and not much progress seems to have been achieved, judging by the performance of the informal sector.

A study by Mureithi et al. (2009) on women enterprises in Kenya also identified, specific factors that limit their growth and development are largely around financing, planning, infrastructure, culture and marketing. For example women are very often unable to meet loan conditions, specifically collateral requirements. This is primarily due to cultural barriers that restrict women from owning fixed assets such as land and buildings. Secondly many financial institutions lack confidence in projects owned by women and women are also perceived to be risk averse in approaching banks to finance their small projects. In addition, small loans are costly for financial institutions to put on the books and administer. Also in his study, Alam (2010) found that women are seen to lack management skills, and some women have relatively low levels of education and technical skills, lack the ability to approach a financial institution and to develop a proposal for financing (business plans) and do not have the same opportunities for full-time waged employment, and therefore have more limited capacity for savings accumulation than men.

According to the World Bank (2012), women in Kenyan coast are still sinking into poverty, 10 years down the line after the government led by Hon Kibaki has been preaching of projects it funds for women poverty eradication in order to align the Kenyan women with the millennium development goals requirements. The Kenyan coastal woman has been failing in business

because of the cultural classification, the low levels of technological knowledge, lack of relevant education, completion in the market and many more. As far as the available literature reviewed is concerned, no adequate research effort has been made to address sustainability of micro and small scale enterprises (SMEs) funded under women enterprise fund, more so in Mombasa County. This study therefore sought to assess the sustainability of the SMEs so as to understand the underlying factors influencing sustainability of SMEs projects run by women in Mombasa County.

1.3. Purpose of the Study

The purpose of this study was to examine the factors influencing the sustainability of micro and small scale enterprises (SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya.

1.4. Objectives of the Study

The study was guided by the following objectives:

1. To determine the extent to which financial resources influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.
2. To examine the extent to which socio-cultural factors influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.
3. To examine the extent to which marketing influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.
4. To establish the extent to which technology influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

1.5. Research Questions

The study was guided by the following research questions:

1. To what extent do financial resources influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya?
2. What is the extent to which socio-cultural factors influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya?
3. What is the extent to which marketing influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya?
4. To what extent does technology influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya?

1.6 Research Hypothesis

The study was guided by the following research hypothesis:

1. H1: Financial resources have a significant influence in the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.
2. H1: Socio-cultural factors have a significant influence in the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.
3. H1: Marketing has a significant influence in the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.
4. H1: Technology has a significant influence in the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

1.7 Significance of the Study

With the ever increasing number of stagnating SMEs projects run by women at the rate of 60% annually (GOK, 2009) this study findings will be of great importance. The findings of this study will be used by government to get the insight of real financial resources weakness, technologic weakness, socio-cultural weakness and marketing weakness with women entrepreneurs on issues of SMEs projects sustainability. The findings will also contribute reliable knowledge for vision

2030 stakeholders so as to know which areas of management of SMEs need improvement so as to increase women efficiency in productivity issues and hence impact to economic growth positively by avoiding no value addition activities in the informal sector.

The financial institutions will benefit from the outcome of this research for they will be able to know how to tailor make their financial products to suit women clientele and hence assist in improving the women's SME financial sustainability which will reduce rate of loan default. The women entrepreneurs will also acquire new knowledge on the key factors which may contribute to their financial failure and take the appropriate measures to mitigate these risks. The county government of Mombasa will use the results of this study to develop policies and strategies that will guide the planning and development of sustainable micro and small scale enterprises within Mombasa county.

The finding will be important to academicians and researchers as basis for further researches. The study will provide the background information to research organizations and scholars who would want to carry out further research in this area. The study will facilitate individual researchers to identify gaps in the current research and carry out research in those areas.

1.8 Basic Assumptions of the Research

The study had the following assumptions

- i) Small business projects operating under the ownership of women within the Mombasa County have duly been registered and are thus operating legally; can be accounted for from the records in the relevant ministry.
- ii) The study also assumes that almost all of the SMEs projects under women's operation in Mombasa County have a challenge of sustainability.
- iii) The study further has a general assumption that factors like level of technology, financial resources availability, socio-cultural subscriptions and marketing strategies have a great influence in SMEs projects sustainability.
- iv) Finally, the study assumes that the respondents will sincerely fill the questionnaires without any subjectivity.

1.9 Limitations of the Study

The major limitations of the research will be time and financial resources. For example, time allocated for the research and for the work place will be greatly in competition. However this will be overcome by creating time during the weekends, evenings, at times travelling during lunch breaks to link with the supervisor in the University at Mombasa town and taking a leave so as to contact the respondents in various places in interior parts of Mombasa County. Financial constraints are expected to be a major challenge especially where the researcher will be required to travel to rural places like interior parts of Magongo or the slums of Kisumu Ndogo and Bangladesh to gather information. However this will be overcome by using strategic informants in the field. The recent security situation in country and its environs could be another limitation. This may make it difficult to access most of the respondents without suspicion but the researcher did use locals to get information thus easily overcoming the setback.

1.10 Delimitations of the Study

The study shall delimit itself by specifically concentrating on the factors influencing SMEs projects sustainability while limiting itself to SMEs projects run by women and funded by the WEF within Mombasa County, Kenya. The geographical scope will be selected from the SMEs funded by WEF within Mombasa County, Kenya. The research will target the management of WEF, the women entrepreneurs running SMEs projects in Kenya.

The researcher will administer both questionnaire and key informant guide to the respondents in order to obtain both quantitative and qualitative information and this will improve the research findings in terms of quality.

1.11 Definitions of Key Terms

Financial Resources - Refers to all the funds required by a business to operate; both capital and operational finances.

Marketing - Are services related to different stages of production and sale that are offered as a package by the same service provider with the aim of increasing the sales base.

Micro enterprise- A business enterprise with less than 5 employees.

Small enterprise- A business enterprise with between 5 to 10 employees.

Socio-culture-Issues related to the ways of living of a particular group of people or society.

Sustainability-The capacity of a business enterprise to stay beyond an external funding period and giving benefits its intended to give without support given by the WEF.

Technology - Is the use of new knowledge or adoption of new technology into an enterprise in a way that leads to improvement of production and profitability in short or long term.

Women Entrepreneurs- Women in SMEs running their own business rather than employed in any organization.

1.12. Organization of the Study

This project research proposal is organized into three chapters: Chapter one deals with the introduction, problem statement, purpose of the study, objectives of the study, the research questions, the study hypotheses, significance of the study, limitations and delimitations of the study, basic assumptions of the study, definition of significant terms and the organization of the study. Chapter two of the study consists of the literature review with information from other articles which are relevant to the researcher. Chapter three entails the methodology to be used in the research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section summarizes the literature that is already in existence regarding factors influencing the sustainability of small and micro enterprises (SMEs) projects funded under the WEF. It presents an overview of previous work on related topics that provide the necessary background for the purpose of this research.

2.2 Role of Financial Resources SMEs Projects Sustainability

Financial resources are of great significance for a business to run operations profitably. Micro and small scale enterprises have comparatively limited resources and greater difficulty in accessing to funding sources, they are also more dependent on a single product, have less adequate budget control system, and lack economies of scale Athanne (2011). Therefore it is very important that the limited financial resources available to run the enterprise be managed effectively to ensure sustainability of the enterprises. Also, it is important for a business to keep on looking for new sources of finances that should strategically place its operations in a position that will see its continuity for a long time. In this study, the financial resources role will be considered in two categories that include the sources of financial resources for the SMEs projects and the financial management for SMEs sustainability.

2.2.1 Sources of Financial Resources and SMEs Projects Sustainability

According to Bhamra et al. (2011), the source of finances for any business venture greatly determines its survival in the market. Wide financial capital sources for a business allows the spread of risks, increases the production and supply size since qualified personnel will be hired and modern technology adopted, will attract more stock thus placing the business at a competitive advantage and many more. According to Dasanayaka (2009), business plan is essential when you start your own business. Unless you can count on the bank of your relatives you will need financial backing such as a bank loan or venture capital supplied by investors. A business plan is critical for securing financial support Guffey (2008) .Throughout the East Africa region, SMEs run by women do not have an easy access to credit and equity finance. This is

because of the weak banking institutions in the region, the absence of capital markets, and the weak legal framework for credit and collateral (GOK, 2010). Finance in general are critical issues for growing businesses, forming the primary resource base from which other factor inputs are acquired. There are various ways the business owners can finance the growth of their firms but the fundamental decision is whether or not to accept external equity finance return for part ownership of the business (World Bank, 2010). If owners allow external equity finance they choose to relinquish part of their control to either a financial institution or other individuals. Financing the firm is essential and getting access to finance plays a crucial role on firm's growth process (Hayat & Riaz 2011).

Across the world support services to women SMEs cover both financial and non-financial interventions provided to enhance the development and sustainability of the sector (Avolio. et al. 2009 in Kenya, two major financial sources have been into play to just enhance women run SMEs sustainability as follows: Government credit accessibility and women owned SMEs financial sustainability, and, The Women Enterprise Fund (GOK, 2010). On the side of Government credit accessibility and women owned SMEs financial sustainability. Kenya, the government initiated the Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC) in 2003 whose intention was to turn around the ailing Kenyan economy. The strategy registered some success, with over one million jobs created in the period between 2003 and 2007, and the Gross Domestic Product (GDP) growth rate rising from 0.6% per annum in 2002 to 7% in 2007 (GOK, 2009). Following this development, the government launched Kenya Vision 2030, which is the country's economic blueprint covering the period 2008 to 2030. It aims at making Kenya a newly industrialized "middle income country providing high quality of life for all its citizens by the year 2030." The vision will be implemented in 5-year phases starting with 2008-2012.

The vision is based on three pillars: the economic pillar, the social pillar and the political pillar (Ministry of Planning, National Development & Vision 2030 [MPNDV2030], 2007). Among the key initiatives planned for the first phase (2008-2012) of the economic pillar specific to women SMEs are: building 'producer business groups' which will be based in the rural areas and will feed different urban centers; creation of two economic clusters (around sugar and paper); creation of five MSME industrial parks; one-stop-shop for SMEs and streamline the microfinance sector that mainly provides financial services to MSMEs (MPNDV2030, 2007). In

addition, in 2007 the Kenya government initiated the Youth Enterprise Fund, a two billion Kenya Shillings initiative (US\$25million), whose aim is to provide start-up capital to small enterprises whose owners are below 30 years of age. A similar Fund was set up to support women entrepreneurs – the Women Enterprise Fund. These Funds are managed through microfinance institutions and continue to receive government support. Circumstantial evidence suggests that some success has been registered, but no empirical study has been conducted yet to assess their effectiveness (CMA, 2010). Therefore, this has been seen as a major capital source that aims at retaining both the old and young women entrepreneurs in operation.

On the side of WEF, much has been done and is yet undergoing just to strategically position the Kenyan woman in a position of continually financing her business (Equity bank, 2012). The Women Enterprise Fund (the Fund) was established through Legal Notice No. 147 Government Financial Management (Women Enterprise Fund) Regulations, 2007, had begun its operations in December 2007. It has five mandates as provided in the establishing legal notice. These are: Providing loans to women using the two channels, namely, microfinance institutions (MFIs) and the Ministry of Gender, Children and Social Development under the Constituency Women Enterprise Scheme (CWES); Attracting and facilitating investment in micro, small and medium enterprises oriented infrastructure such as business markets or business incubators that will be beneficial to women enterprises; Supporting women oriented micro, small and medium enterprises to develop linkages with large enterprises; Facilitation of marketing of products and services of women enterprises in both domestic and international markets; Supporting capacity building of the beneficiaries of the Fund and their institutions (Government of Kenya, 2009).

The vision of the Fund is to socially and economically empower Kenyan women entrepreneurs for economic development, and its mission is to mobilize resources and offer access to affordable credit and business support services to women entrepreneurs. The core values of the Fund are: Integrity, Teamwork, Innovation, Courage and Respect for Diversity (Government of Kenya, 2011). In order to achieve its mandate, the Fund set up ten objectives (Government of Kenya, 2009). These are to increase the loan portfolio from Kshs.682 million to Kshs.4 billion by the year 2015. To grow the fund from Kshs.1.215 billion to Kshs.3 billion by the year 2015. To increase the number of women entrepreneur borrowers from 92,000 to over 600,000 by 2015. To link at least 60 women micro, small and medium enterprises in each province with large enterprises by 2015. To enhance and strengthen the knowledge, skills and capacity of women

entrepreneurs. To facilitate marketing of products and services of women enterprises in local and international markets. To facilitate development of supportive infrastructure for women enterprises; To strengthen institutional capacity of the Fund; To enhance advocacy and publicity of the Fund; To enhance efficiency in the operations and processes of the Fund. An establishment of the Fund is a step towards ensuring resources reach excluded women. It is also a testimony of the Kenya government's commitment to the realization of the 3rd Millennium Development Goal (MDG) on women empowerment and gender equity. Successful execution of the Fund's mandate is supposed to address the existing hurdles women face in venturing and growing sustainable enterprises (Khayesi & George 2011).

As a dream by the government, the Kenya Economic Report (2014) shows that a lot has been achieved since this initiative was introduced by the government as far as financial sustainability for SMEs projects run by women in Kenya by April 2014. In Thika, for example, 350 grannies had stayed in small businesses like selling of ornaments, vegetables and animals products for about 4 years now since they started their operations. The World Bank (2011) notes that, in Turkana and Kwale counties, women were found to be in groups and benefited from the WEF that attracted little interests. The overall impact is that 55% of the women were able to repay their loans, secure more loans and counties with their business operations. In Tana River and Mombasa's Likoni area, Equity Bank report of 2011 shows that of the 69 women groups operating in the area by 2009, 45 of them had a stable financial base through the loans they secured from the WEF; a clear indication that the WEF is playing a central role in financial sustainability for SMEs projects run by women (Kiraka, 2012).

2.2.2 Financial Management Skills and Women Owned SMEs Financial Sustainability

Financial literacy theory argues that the behavior of people with a high level of financial literacy might depend on the prevalence of the two thinking styles according to dual-process theories: intuition and cognition. Dual-process theories (Evans, 2008) embrace the idea that decisions can be driven by both intuitive and cognitive processes. Dual process theories have been studied and applied to many different fields, e.g., reasoning and social cognition (Evans, 2008). Financial literacy remains an interesting issue in both developed and developing economies, and has elicited much interest in the recent past with the rapid change in the finance landscape.

Jayasingam and Cheng (2009) define financial literacy as the combination of consumers'/investors' understanding of financial products and concepts and their ability and confidence to appreciate financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial sustainability. Financial literacy helps in empowering and educating investors so that they are knowledgeable about finance in a way that is relevant to their business and enables them to use this knowledge to evaluate products and make informed decisions. It is widely expected that greater financial knowledge would help overcome recent difficulties in advanced credit markets. Financial literacy prepares investors for tough financial times, through strategies that mitigate risk such as accumulating savings, diversifying assets, and purchasing insurance. Financial literacy facilitates the decision making processes such as payment of bills on time, proper debt management which improves the credit worthiness of potential borrowers to support livelihoods, economic growth, sound financial systems, and poverty reduction. It also provides greater control of one's financial future, more effective use of financial products and services, and reduced vulnerability to overzealous retailers or fraudulent schemes (Kushnir et al.2010).

Facing an educated lot, financial regulators are forced to improve the efficiency and quality of financial services. This is because financially literate investors create competitive pressures on financial institutions to offer more appropriately priced and transparent services, by comparing options, asking the right questions, and negotiating more effectively. Investors on their part are able to evaluate and compare financial products, such as bank accounts, saving products, credit and loan options, payment instruments, investments, insurance coverage, so as to make optimal decisions (Nieman &Nieuwenhuizen 2009). (Liu and Pang 2009) argue that financial literacy helps to inculcate individuals with the financial knowledge necessary to create household budgets, initiate savings plans, and make strategic investment decisions.

Proper application of that knowledge helps investors to meet their financial obligations through wise planning, and resource allocation so as to derive maximum utility. (Sejjaaka, 2011) asserts that financial knowledge appears to be directly correlated with self-beneficial financial behavior. (Equity bank, 2012) in an article dubbed Equity Bank steps up its Kshs 1 Billion bid to boost financial literacy has details on a project carried out by Equity Group Foundation in conjunction with The MasterCard Foundation that was started to impart personal and business finance skills to more than 1million Kenyans particularly the youth. The training project dubbed Financial

Knowledge for Africa (FIKA) exposes participants to basic economic concepts and helps them to gain an understanding of how to use a range of financial services - such as savings, insurance and credit products. The program builds their financial capacity through a comprehensive 12-week financial education program - covering budgeting, savings, debt management, financial negotiations and banking services. This programme pioneered by Equity Group Foundation is aimed at ensuring that the community appreciates the dynamics of finances particularly now that immense resources are being channeled to youth, women and even SMEs.

According to the World Bank (2012), the equity ideas was timely and later was strengthened by other bodies like the WEF, OPCTs, Counties Women Development Associations and many more with the aim of pressing on with the button of financial management literacy to women as a major strategy of enabling them continue with their operations. The report showed that 45% of the women who benefited from the seminars and training could easily manage their finances and increase their financial base and their businesses in areas like Turkana, Kitui, Machakos, Kiambu, Tana River, Mombasa's Mvita area and many more. In his comparison on the role of financial literacy and SMEs projects sustainability in major towns in Kenya and Zimbabwe, Siwadi & Mhangami (2011) noted that 6 women out of 10 who received the financial education of their business were likely to expand their capital base, stay long in the business, increase their customers base, increase their stock and many more. This enabled them stay long in the business unlike their financially illiterate counterparts who had only 1 woman out of 10 survive. A research has not been done in Mombasa to indicate the extent to which financial management education influences sustainability; thus the gap to be addressed by this research.

2.3 Socio-Cultural Factors and their Influence on Sustainability of Women Run SMEs

Yin (2009) suggested that the personal characteristics of the business owner interacting with managerial defects produce weaknesses in the firm. According to his argument, a business is just like a young child interacting with the environment and once the child gets well with what the society holds, he/she will be progressively valued and once the child deviates, the society disregard and at times disowns the child. Wang (2012) did an exploratory study on factors which affects the failure of local small and medium enterprises and found that the entrepreneurs' personal attributes and shortcomings had a significant impact on the performance of a business

enterprise. Such socio cultural factors that determine the route of any business include: entrepreneurs' age, business experience, level of education, gender and religious back ground.

2.3.1 Impact of Entrepreneur's Age on Business Performance

Bonte et al, (2009) points to the existence of a relationship between the age of the entrepreneur and the performance of the enterprise. Wright and Marlow (2012) though suggests that most of entrepreneurs in the United States start business during their 30s and 40s, a factor that is supported by many researchers who at times agree that there is no limit of age for entrepreneurial aspirations. According to Viljamaa (2011), at the start of any business age is not a decisive factor, but with enough training and preparation, the earlier someone starts business the better. It also notes that age is related to business success if it includes both chronological age and entrepreneurial age. This means that the older an entrepreneur is, the more experiences in business he/she has. Age thus implies extensive experience. Such ability, however, increases with the entrepreneur's age, educational achievement and membership in business support groups (Stats, 2009). Alam (2010) suggests that young people are very aggressive, impatient and ready to take risks, hence are more likely to explore business ideas that could contribute to sustainability of their enterprises; the sustainability of a business being the aim of this research.

According to Alby et al. (2012), a lower average age of firm employees may increase firm environmental actions because younger employees have a higher learning capacity. However, older managers are theorized to have acquired more human capital over time to become proficient in all aspects of management, and therefore are more likely to implement higher level of practices that will bring sustainability to the business enterprise. In this regard, the World Bank (2011) reports that 55% of the small business under the management of aged women between the ages of 40 to 55 years survived in the market for a longtime in Africa compared to countries in the Asian world. The major reason behind this is that, out of the interviewed women, 65% were found to be married, meaning that they held their businesses carefully so as they can feed their families and they used their young ones who were energetic as a source of family labour. In the case of women aged between 20-30 years, most of them saw their businesses fail at the rate of 71% since most of them lacked business ideas/experience, were impatient, had social problems with their relationships, had no other sources of free labour to enjoy and many more. In its study on what women engage in Mombasa, BBC World (2013) reported that most women

were involved in SMEs than men in areas like Likoni, Changanwe, Mwembe, Bombolulu and Kongowea. The major reasoning behind this is that the women went on selling goods along the roads and stalls just to feed their families in these hard economic times. Young women stayed less in the business world compared to aged women in the county. This study thus is with the target of trying to find out whether there is any relationship between the age of women entrepreneurs and SMEs projects sustainability.

2.3.2 Influence of Entrepreneurs' Experience on Sustainability of WomenRun SMEs

“Management inadequacy” which consists of either management inexperience or incompetence contributes to about 90% of business failure (Al-Mahrouq 2010). Most SMEs women Owners or women managers lack managerial training and experience. Athanne (2011) asserts that experience is the best predictor of business success, especially when the new business is related to earlier business experiences. Women entrepreneurs with vast experiences in managing business are more capable of finding ways to open new business compared to employees with different career pathways. The importance of experience for small-scale business success is also underscored by other experts. Avolio et al. (2009) noted that prominent reasons behind business failures are managerial and experiential in-capabilities. This means that experience is not critically important for business performance. Bernardes & Hanna (2009) also found that lack of experience is one of the major factors affecting entrepreneurial performance, hence business enterprise sustainability. The question of whether the owner/manager had previous management/professional experience in terms of having owned/ managed a business and whether or not the business had failed is an important one to consider in sustainability of enterprises .An entrepreneur's management/ professional experience is an essential means of acquiring abilities and attitudes, reinforcing motivations and improving energizer capacity. An increased management/professional experience improves the quality of an entrepreneur hence increasing the chances of the enterprise sustainability. (Botha & Esterhuyzen 2013). Mureithi et al. (2009) argues that, 56% of the women run SMEs projects failed in 2009 not because they were supposed to fail but because the women managers lacked proper training and experience. This was after a research that was carried out on women entrepreneurs in Thika, Nyeri, Kitui, Ukunda, Malindi and Kajiado.

2.3.3 Impact of Formal Education on Sustainability of Women Run SMEs

According to Briggs (2009) entrepreneurship education is the structured formal conveyance of entrepreneurial competence, related to the concepts, skills and mental awareness used by individuals during the process of starting and developing their growth-oriented ventures. Benzing et al. (2009) conclude that, entrepreneurship education and training is about the development of personal skills and behavior change in an entrepreneur. Education and skills are needed to run micro and small enterprises. Hussain and Windsperger (2010) point out that the problem of access to credit is worsened by the fact that the majority of the small-scale enterprises are run by people who either have no education or, have attained only a few years of primary education. It further argues that it is unlikely that people of this caliber would have the courage to approach lending institutions for financial assistance

Entrepreneurial studies have shown existence of a positive correlation between education and business creation. The Studies revealed that people who received entrepreneurial education perform better at running their own business but are not better at startup. The literature also shows trained entrepreneurs are higher on record keeping and sales but not higher on profit. Research shows that majority of the entrepreneurs carrying out micro and small scale enterprises in Kenya are not well equipped in terms of education and skills. Majority of those who run SMEs are the ordinary lot whose educational background is wanting. Hence they may not be well equipped to carry out managerial routines for their enterprises. Hussain (2010) in their study suggest that those with more education and training are more likely to be successful within the SME sector. As such, for small businesses to do well in Kenya, entrepreneurs need to be well informed in terms of skills and management.

A study conducted by Wang and Poutziouris (2010) involving entrepreneurs in Singapore disclosed that successful women entrepreneurs have higher education levels compared to that of unsuccessful women entrepreneurs. Seventy percent of successful women entrepreneurs are university graduates, while 23% are not. The study argues that those with higher levels of education are more successful because university education provides them with knowledge and modern managerial skills, making them more conscious of the reality of the business world and thus in a position to use their learning capability to manage business. Thapa (2007) in his study in Nepal has found out that education has positive effect on entrepreneurial success. The level of

education and the attendance of management training courses is an important aspect in terms of small and micro enterprise firm survival. Education is thought to increase intrinsic motivation and energizer behaviors, and the more enterprise education an individual receives, the greater the possibility of the micro and small enterprise success (The Economist, 2009). Education plays a pivotal role in the success of the businesses and therefore, if these entrepreneurs are provided with necessary education and training, it is likely that they will succeed in their endeavors (Wang, 2012). A study by Philip (2010) indicated that 58 % of women run business projects had high survival rates in towns like Lagos, Nairobi, Mombasa, Kampala, Pretoria and Kinshasa.

2.3.4 The Influence of Entrepreneur's Religious Background on the Sustainability of SMEs

UN (2010) argues that most of the cultural values in any society basically develop due to religion. It provides the philosophical foundation for beliefs and values. Vern Terpstra and Nanayakkara (1999), observed that in the Sri-Lankan cultural context, the child rearing practices as well as values transmitted by the elders to the children have created a dependence syndrome making the child continuously depended on the family. According to this view, a man would prove his worth by accumulating wealth through hard work and this would qualify such a person to receive the grace of God. Some religious beliefs discourage involvement of women in income generating activities to supplement for the family needs as that is solely the responsibility of a man.

Marimuthu et al. (2009) claims that, traditionally, the reproductive role of women has been widely emphasized and women were not thought to be breadwinners. Moser (1989) also documents marginalization of women in economic activities very well, it argues that women perform three roles in society: reproductive, productive and community management roles. However, for a long time only the reproductive role has been emphasized for women as home makers compared to the productive role which has been dominated by men. The Protestant ethic is considered as the driving force behind modern Capitalism. The study will seek to establish whether religion has an impact on the performance and sustainability of the micro and small enterprises run by women owing to the fact that un-theoretical observations have shown in areas like Mvita that are dominated with the Muslim religion it is the majority of men engaging in business activities.

2.4 Marketing Strategy and Sustainability of Women Run SMEs

According to Athanne (2011), marketing is the one and only functional area that links the products or services of a business to its customers. Therefore, it is vitally important to ensure that this function is properly performed. He adds that, to have a good chance of survival, micro and small scale enterprises firm need to know the target market and their products. The failure of micro and small scale entrepreneurs to understand key marketing issues is a common weakness and in most cases according to Bernardes & Hanna (2009), product or service concepts and standards often reflect only the perceptions of the owner, which may not be mirrored in the market place. He adds on to say, minor fluctuations in markets can topple a newly established small/micro firms, particularly where it is reliant on a small number of customers.

Although buying and selling represents market access, and may be a profitable business for the marketing provider, often other less viable ancillary services are necessary for the producers to obtain a long-term success in the market (Botha & Esterhuyzen 2013). Empirical studies have shown that marketing play a major role towards sustainability of micro and small scale enterprises across the world. The major marketing issues influencing sustainability of SMEs include; lack of promotion, inadequate skills to set competitive prices, lack of demand forecasting, poor location of business, and lack of market knowledge (Bowen et al.2009).

When studying sustainability of funded income generating projects in major towns in Malawi. Briggs (2009) found out that marketing was a major factor contributing to sustainability of such projects. And that some enterprises were not sustainable due to inadequacy in marketing services. Miller et al. (2009) in their study on marketing for micro and small scale enterprise products under women control in Latin America, identified four items as good practices in the provision of marketing services for SME products. These services include: developing marketing strategies, providing ancillary services, careful measurement of cost and profit and ensuring market sustainability. They add that, given wide differences in products, producers, and economic sectors, it is difficult to develop generally applicable guidelines for providing marketing services. However, a set of principles for good practice has been established for how best to deliver non-financial or business development services to micro, small and medium enterprises. These principles are in general applicable to marketing services, and include: providing the service in a business-like and demand-led manner; aiming at long-term

sustainability; specializing in a service or related set of services; and providing sub-sector specific services -tailoring programs to specific needs (World Bank, 2012).

According to Olawale & Garwe (2010), the ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in on how to participate in the market place and are therefore unable to market goods and services strategically. Thus women-owned micro and small enterprises are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market, and therefore lack knowledge about what is internationally acceptable.

In Indonesia, a study on small enterprises found that small enterprises operate on traditional lines in marketing thus urgent need to proactively respond by doing business development and research to ensure their sustainability (Papalexandris & Galanaki 2009). The literature further indicates that most of the small enterprises operating around the globe tend to have less marketing and technical resources, do less market research, possess fewer incentive and reward programs, lack presence in large readily accessible markets and have less well-recognized brands. It goes ahead and proposes that Market development is important for preserving high growth in the small line hence influence their success. According to the final findings of this study, the two found out that market orientation (organizational culture that creates the necessary behavior for the creation of higher value to customers), was considerably correlated with business performance. Market orientation is also necessary for the development of a business thus may lead to sustainability of an enterprise. A survey on economic factors of small enterprise in Hungary, Pretoria, Nairobi and Kampala indicated that only 12.5% of the women run businesses have written strategic plans and most of them do not follow any market strategy at all. None of the SMEs in the survey had a focusing strategy to follow. Effective formulation and implementation of a market strategy was not a common practice in most small enterprises run by women (Sejjaaka, 2011).

It is expected that training in marketing in particular would have a direct impact on the performance of the firm in turnover. However, studies have shown that there are significant differences between the declining and improving firms with regard to training in marketing (Semboja, 2009). Training in marketing and the strength of the business in marketing skills have been shown to be positively related. Marketing and turnover growth have also shown positive

and highly significant relationship. Training, therefore, in a particular field of business may improve the skills of the owner/managers in that area and subsequently it may have a positive impact on the performance of the firm (Stefanovic,2010).The government of Malawi seems to be in agreement with the fact the women run SMEs projects are faced with the problem of a limited market due to a number of reasons such as low purchasing power particularly in the rural areas; stiff competition with medium and large scale enterprises; tendency to import at the expense of locally produced products; and government procurement practices. SMEs under the control of women in Malawi also experience difficulties in accessing foreign markets because of the complex export documentation; inability to supply large orders due to fragmented production units; and absence of availability of pre-and post-export financing schemes (BBC, 2010). Kiraka et al (2013) confirms that limited and shrinking market for products as well as competition are some of the challenges facing micro and small scale enterprise sustainability in Kenya today.

2.5 Technology and Sustainability of Women's Micro and Small Scale Enterprises.

According to Ntayi et al. (2011), technology enhances competitiveness in business and also promotes industrial development. Competitiveness enables a firm to acquire customers and access to markets which constitute future profitable growth hence sustainability. Competitive forces drive firms to innovate in order to develop more efficient production processes and adjust their products in response to changing consumer demand. Technology transfer is the use of knowledge while application of technology refers to a process by which technology developed for one purpose is used either in a different application or by a new user .In line with a common thought by most developing countries that the transfer of technology from developed countries is significant element of growth, the investment efficiency to a great extent depends on the capacities of the firms to acquire new technologies and adopt them to local conditions. According to Bernardes & Hanna (2009) technological resources are among the most important elements in the success of any business. A business firm that uses the latest technology tends to have an advantage over its competitors with inferior technology. Although technology may have its cost but in the end business usually recover this cost as they operate. Still they are able to get an edge over its competitors by application of new technology. In the third world countries most of the SMEs especially those run by women are not able to install new technology due to its higher cost. But from previous researches it is founded that technology has its deep roots in the

business success of the SMEs and positively correlated with the business success of a SMEs founded by (World Bank, 2010).

The Kenya sessional paper 2, (2005) confirms that Kenya's micro and small scale enterprises are characterized by limited levels of technology, inappropriate technology and inadequate institutional capacities to support adaptation and absorption of modern technological skills. It further outlines that SMEs in Kenya suffer from lack of information on existing technologies and their potential for increased trade. Specifically, SMEs suffer from a weak environment that hampers coordination and transfer of appropriate technology. Consequently, the sector continues to experience low productivity, poor quality and limited range of products, leading to low competitiveness of SMEs' products. The purpose of technology transfer and development is to improve productivity of enterprises, and enhance the quality of goods produced by enterprises to withstand local and international competition (Botha & Esterhuyzen 2013). According to Bowen, et al. (2009) the efficiency of production sector can be increased by using new technology which in most cases also turn to be cost saving. Business success is directly dependent upon technological factors as shown by Pakistani women entrepreneurs, South African and Nigerian women entrepreneurs, who through embracing technology; agree that they usually have very less information related to new technology and as such affect their productivity posing challenge to sustainability of their enterprises.

A study on the impact of technology transfer on success of SMEs in Kenya by CMA (2010) claims that , without access to technology micro and small scale enterprises lack the capacity to produce efficiently, meet deadlines, upgrade quality and evolve new product designs and that technology choice has important implications for growth and productivity in an industry. The enterprise adoption of appropriate technology keeps the firm aware of the latest developments, helps in adapting to changing markets and protects the firm from obsolescence in order to enhance quality of products in a competitive market. The study hypothesize that technology used in most SMEs in Kenya is outdated and will need to be modernized through research. It then concludes that, one of the major factors influencing the success or failure of an enterprise is technology transfer. Therefore, there is need to promote SMEs on issues of quality, productivity and market access to facilitate generation and distribution of wealth and job creation in the country for the benefit of all and the government policies should enhance technological capability of entrepreneurs for successful enterprises (GOK, 2010).

Small and Micro Enterprises (SMEs) in Less Developed Countries whereby Kenya is among the LDCs are heavily dependent on imported skills for the maintenance and operation of plant. This is happening because these countries have not given proper thought to technology transfer process. Technology transfer and development process requires huge investment and adequate infrastructure (Deloitte, 2012). According to the GOK (2012), women running SMEs project in Kenya had constrained technological application with those in areas like Turkana, Maralal and Pokot being the most affected. In Nairobi, most women were found to be in business especially those who are aged between 23-32 years since they integrated modern technology and modern marketing strategies that included the use of social media to market their products. In the study, 2100 women were included in the population sample .It was found that Nairobi led and Mombasa being rated at position 23; meaning that a lot needs to be done.

2.6 Conceptual Framework

The conceptual framework outlines the dependent, independent and intervening variables as discussed in the literature review and elaborated in the Figure 1 below. It helps one to understand the relationship between the variables of the study.

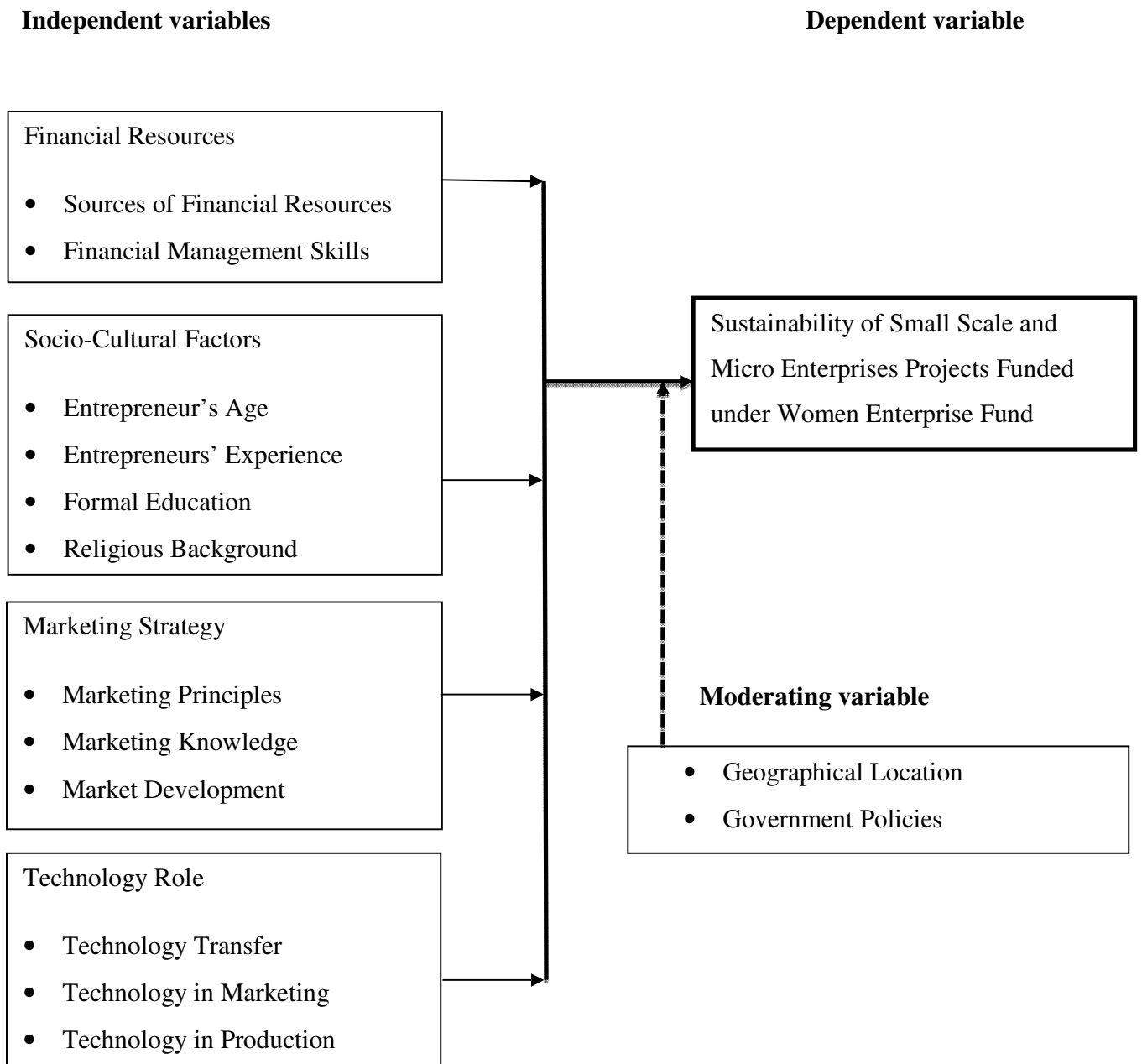


Figure 1: Conceptual Framework

This research aims at investigating the factors influencing the sustainability of SMEs projects run by women under the funding of WEF in Mombasa County, Kenya. There are four major roles identified from the conceptual framework that determine the course of action by the SMEs sustainability. This will be classified as independent variables and they include: financial resources, socio-cultural factors, marketing strategy and technology role.

Sustainability of Small Scale and Micro Enterprises Projects Funded under Women Enterprise Fund is the dependent variable that is greatly influenced by the four independent factors as shown above. Provision of adequate financial resources for the women run SMEs and giving them financial management skills will significantly influence the sustainability of SMEs projects run by women. Socio-cultural factors that touch on education, religion and education have a significant influence too. Marketing and technology have a great impact in sustainability of the women managed SMEs projects since they will tend to expand the market base and bring in innovativeness which will help boost the future survival of the SMEs projects.

2.7 Summary of Literature Review

A series of researches have been carried out in the world on SMEs and the major issues surrounding SMEs projects especially those run by women is sustainability. However, little has been done in Kenya more so Mombasa County to address the factors influencing SMEs projects failure. The research therefore intends to address the factors that are coming into with the final effect of influencing SMEs sustainability with a major focus on Mombasa County. This chapter highlights the theoretical reviews of literatures which is guided by the objectives and are under different sub-topics which are; marketing role, financial resources, socio-cultural factors and the influence of technology. The chapter also highlights the conceptual framework, relationship between variables and research gaps.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology that was used to conduct the study, focusing on research design, target population, sampling procedures and sample size, research instruments, questionnaires, pilot study, reliability, validity, data collection procedure and methods of data analysis.

3.2. Research Design

Research design refers to the procedures selected by a researcher for studying a particular set of questions or hypothesis; this includes the researcher's choice of quantitative or qualitative methodology, and how, if at all, causal relationships between variables or phenomena are to be explored (Orodho, 2009). This study shall employ the use of a descriptive survey research design. Kraemer (1993) describes a descriptive survey as a means of gathering information about the characteristics, actions or opinions of a large group of people. Surveys are capable of obtaining information from large samples of the population. This design is suitable as it will bring out information on attitudes that would be difficult to measure using observational techniques. Equally, surveys require minimal involvement to develop and administer and are quite easy for making generalizations (McIntyre, 1999).

3.3 Target Population

Target population is a set of people or objects the researcher wants to generalize the results of the research (Borg and Gall, 1989). In Mombasa County, there are above 5,100 SMEs operating under women; both registered and unregistered. According to the report in the County Offices of Mombasa 2013, there are 368 fully registered SMEs under women enterprise fund. This will make our target population, whereby the researcher will randomly sample the women from the various four categorized regions of Chagamwe, Mvita, Kisauni and Likoni using random sampling. The researcher will target the management, supervisors or senior staff.

Table 3.1 Target Population

Region	Total Number	Percentage
Changamwe	69	18.75%
Mvita	96	26.10%
Kisauni	92	25.00%
Likoni	111	30.15%
Total	368	100%

3.4 Sample Size and Sampling Procedure

The sample size will have far reaching implication on this study. Probability of getting a representation of the target population will be of great significance. Participants to the study will include key informants whom the researcher believes will provide the needed data.

The study sample size will be calculated using Yamane formula (1967). In this formula, sample size can be calculated at 3%, 5%, 7% and 10% precision € levels. Confidence level to be used is 95% with degree of variability (p) equivalent to 50% (0.5).

$$1 + N(e)^2$$

n = Desired sample size when population is less than 10,000.

e= sampling error/precision level

N = Study Population

In this study sample size will be at precision level of 10% (e=0.1). Therefore the desired sample size is:

$$N = \frac{368}{1 + 368(0.1)^2} = 78.63 \approx 79$$

Table 3.2 Sample Population

Region	Total Population(N)	Sample Population (N_x79/368)
Changamwe	69	15
Mvita	96	21
Kisauni	93	20
Likoni	111	23
Total	368	79

3.4.1 Sampling Procedure

A total of 79 women groups will be selected using systematic sampling procedure to participate in the study. In this sampling method Yamane formula was used giving is $368/79=4.65$, therefore the researcher used it to select respondents based on the sample frame.

3.5 Data Collection Instruments

The questionnaires are the main instruments of data collection that was used. The questionnaire helped the researcher to collect data on knowledge, opinions as well as attitudes of respondents towards factors influencing SMEs sustainability in Mombasa County. The questionnaire is suited for this study because it is practical and is used to collect data from a large number of people within a short time and in a relatively cost effective manner. The questionnaires will be used to collect data from the permanent/temporary employees or heads of the SMEs run by women and funded by WEF and by extension the people who directly benefit from the SMEs projects. Observation is expected to be used to help gather crucial data that couldn't be obtained through questionnaires.

Piloting will be done to test the validity and reliability of the instruments. The instruments were piloted in 10 respondents and the procedure repeated in two weeks. The respondents of whom the piloting will be done will be part of the study sample to avoid biased results of the study. Piloting will help the researcher to eliminate any ambiguity in the research instruments to ensure they generate valid results of the research. The questionnaire will be administered by the researcher and selected enumerators who at one point will serve as translators. Both open ended and closed ended questions will be used. Open ended questions will enable respondents to provide sufficient details while close ended questions will enable the researcher to easily quantify results by the use of SPSS.

3.6 Validity and Reliability of Research Instruments

Validity is a measure of how well a test measures what it is supposed to measure. It is the degree to which results obtained actually represent the phenomenon under investigation. Reliability is the measure of the degree to which a research instrument yields consistent results after a repeated trial.

3.6.1 Validity of the Research Instrument

Norland (1999) refers to validity as the quality that a procedure or instrument or a tool used in research is accurate, correct, true and meaningful. The research will use content validity as a measure of the degree to which the data collected using the questionnaire represents the objectives of the study. The instrument will be verified by the supervisor and other two senior lecturers in the University of Nairobi, Mombasa campus.

3.6.2 Reliability of the Research Instrument

Mugenda (2003) says that reliability is concerned with estimates of the degree to which a research instrument yields consistent results after repeated trials. In this study, reliability will be determined by a test-retest administered to 10 subjects not included in the sample. Input from invaluable sources was obtained during the study that is useful in modifying the questionnaire before a final set of questions will be produced.

3.7 Data Collection Procedure

A questionnaire was used since it was the best tool for this study that aims at investigating the factors influencing the sustainability of women run SMEs projects in Mombasa County, Kenya. The questionnaire was prepared on the basis of a review of literature on SMEs projects in Kenya and the rest of the world. Data collection tools will be piloted and suggestions made before finalizing the questionnaire. The study utilized a self-administered questionnaire and equally will refer to the existing secondary data. The researcher got a permit from the graduate school and county minister of education. The researcher visited the sample, use enumerators to access some other people in far areas and e-mail a questionnaire to some respondent who could be committed for one on one filling. Appointments to the sampled SMEs projects heads, employees and beneficiaries were arranged prior to the visits to avoid any inconveniences to the respondents. The researcher emphasized that the information given was specifically used for the study and was private and confidential.

3.8 Data Analysis

Quantitative data obtained from the open ended questions was coded to facilitate quantitative analysis. The coded data was analyzed by use of descriptive statistics comprising of frequency tables. The hypothesis testing was done by use of Chi Square. Data analysis done by use of SPSS 17.0

3.9 Ethical Considerations

All government and county authorities were informed prior to the study to avoid suspicions and resistance from the community members and SMEs project managers. Consent was sought from the respondents whose participation in this study was voluntary. The information they provided was treated with utmost confidentiality. Privacy and dignity of the respondents were observed during the research. Names of the respondents were not exposed and codes used instead. The respondents were assured that a feedback session was to be organized in order to disseminate the research findings to the WEF, County Ministry of Education and other interested stakeholders.

3.10 Operational Definition of Variables

Table 3.3 Operationalization variables

Objective	Variable	Indicators	Measurement scale	Types of analysis
To determine the extent to which financial resources influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.	Financial Resources	Sources of Financial Resources Financial Management Skills	Nominal Scale	Descriptive
To examine the extent to which socio-cultural factors influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.	Socio-Cultural Factors	Entrepreneur's Age Entrepreneurs' Experience Formal Education Religious Background	Nominal Scale	Descriptive
To examine the extent to which marketing influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.	Marketing Strategy	Marketing Principles Marketing Knowledge Market Development	Nominal Scale	Descriptive
To establish the extent to which technology influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.	Technology Role	Technology Transfer Technology in Marketing Technology in Production	Nominal Scale	Descriptive

CHAPTER FOUR

DATA ANALYSIS, PRESENTATIONS, AND INTERPRETATIONS

4.1 Introduction

In this chapter, the researcher presents the responses from SMEs respondents and summary of the data analysis. The researcher summarized the responses in tables using frequencies and percentages for each objective of the study which aimed at examining factors influencing the sustainability of micro and small enterprises (SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya.

4.2 Questionnaire return rate

In this study, the researcher targeted a sample of 79 women entrepreneurs from whom the data collection instrument was administered. The return rate was established from collected questionnaires in order to know the exact number of questionnaires valid for analysis.

Table 4.1 Questionnaire return rate

Target Group	Sample size	Response	percentage
SMEs Entrepreneurs	79	62	78.48%
Total	79	62	78.48%

The table 4.1 above shows that out of 79 questionnaires distributed to the respondents and 62 were filled, corrected and returned. This transform to a response rate of 78.48% and 21.52% of the respondents did not fill and return the questionnaires. Mugenda and Mugenda (1999) recommended that any response above 70% rated very good.

4.3 Demographic Characteristics of the Respondents

The demographic characteristics of respondents were analyzed to enable determine the extent to which various characteristics of respondents sustainability of micro and small enterprises(SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya. These characteristics include gender, age, and education level.

4.3.1 Gender

The gender was categorized into male and female. The sector is women dominated and thus all the respondents were women.

Table 4.2: Gender of Respondents

Gender	frequency	percentage
Male	0	0
Female	62	100%
Total	62	100%

4.3.2 Age of respondents

The age was grouped into six groups of class interval of ten years. The age class with the highest respondent was 41-50 years and this formed the modal class which had a proportion of 30.65%. This was followed closely by the age class of 31-40 years which had a proportion of 19.35%. The data shows that majority of those who were in SMEs enterprises were of 30 years and above.

Table 4.3: Age of Respondents

Age class	Frequency	Percentage
Below 20	0	0
21-30 Years	11	17.74%
31-40 Years	12	19.35%
41-50 Years	19	30.65%
51-60 Years	11	17.74%
Over 60 Years	9	14.52
Total	62	100%

4.3.3 Education background of respondents

Majority of the respondents were of Diploma/Certificate level at 33.3% followed by secondary level at 31.75%. Graduate, primary level and postgraduate had 10%, 9% and 3% respectively.

Table 4.4: Education Level of Respondents

Highest Education Level	Frequency	Percentage
Post graduate	0	0
Graduate	8	16.13%
Diploma/Certificate	23	33.87%
Secondary	21	37.10%
Primary	10	12.90%
Total	62	100%

4.4 Financial resources and SMEs projects sustainability

The researcher sought to first examine whether financial resources influence the sustainability of micro and small enterprises (SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya. The researcher explored the univariate nature of independent variable financial resources which was responded to in a 4 Likert scale of different levels of agreeing or disagreeing as a factor influencing the sustainability of micro and small enterprises(SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya.

Table 4.5: Frequency table on Financial resources

Response	Frequency	Percentage
Strongly disagree	2	3.23%
Disagree	9	14.52%
Agree	39	62.90%
Strongly agree	12	19.35%
Total	62	100%

From table 4.5 above, the data showed that most SMEs entrepreneurs consider financial resources as a factor influencing the sustainability of micro and small enterprises (SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya. The data show that thirty nine(62.90%) respondents agreed followed by twelve (19.35%) respondents who strongly agreed that financial resources as a factor influencing the sustainability of micro and small enterprises(SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya. On those who disagreed, nine(14.52%) respondents disagreed while two (3.23%) strongly disagreed that financial resources as a factor influencing the sustainability of micro and small enterprises(SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya.

4.4.1 First hypothesis on Financial resources and sustainability of SMEs

H₁: Financial resources have a significant influence in the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

Table 4.6 Showing observed and expected responses on relationship between Financial resources and sustainability of SMEs .

Likert scale	1	2	3	4
Observed (O)	2	9	39	12
Expected (E)	15.50	15.50	15.50	15.50

Chi -Square test Table 4.7 showing Chi ting for the first hypothesis

O	E	(O-E)	(O-E) ²	(O-E) ² /E
2	15.50	-13.50	182.25	11.7581
9	15.50	-6.50	42.25	2.7258
39	15.50	23.50	552.25	35.6290.
12	15.50	-3.50	12.25	0.7903
				$\sum (O-E)^2/E = 50.9032$

$\chi^2_c = 50.90 > \chi^2_{0.05} = 7.815$ at 3 degrees of freedom and 95% level of confidence.

Since the calculated chi-square value of 50.90 is greater than the critical chi-square value at 95% level of confidence, we accept the alternative hypothesis in that there is a significant relationship

between financial resources and sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

4.5 Socio-cultural factors and SMEs projects sustainability

The researcher advanced to explore the univariate nature of the independent variable socio-cultural factors which was responded to in a 4 Likert scale of different levels of agreeing or disagreeing as a factor influencing the sustainability of micro and small enterprises(SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya .

Table 4.8: Frequency table on marketing factors

Response	Frequency	Percentage
Strongly disagree	1	1.61%
Disagree	7	11.29%
Agree	42	67.74%
Strongly agree	12	19.36%
Total	62	100%

From table 4.8 above , the data showed that most SMEs entrepreneurs consider socio- Cultural as a factor influencing the sustainability of micro and small enterprises(SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya. The data show that forty two (67.74%) respondents agreed followed by twelve (19.35%) respondents who strongly agreed that socio-cultural as a factor influencing the sustainability of micro and small enterprises(SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya. On those who disagreed, seven (1.29%) respondents disagreed while one (1.61%) strongly disagreed that socio-cultural as a factor influencing the sustainability of micro and small enterprises (SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya.

4.5.1 Second hypothesis on socio-cultural factors and SMEs projects sustainability

H1: Socio-cultural factors have a significant influence in the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

Table 4.9 Showing observed and expected responses on relationship between Socio-cultural factors and sustainability of SMEs

Likert scale	1	2	3	4
Observed (O)	1	7	42	12
Expected (E)	15.50	15.50	17.50	15.50

Table 4.10 showing Chi-Square testing for the second hypothesis

O	E	(O-E)	(O-E) ²	(O-E) ² /E
1	15.50	-14.50	210.25	13.5645
7	15.50	-8.50	72.25	4.6613
42	15.50	26.50	702.5	45.3065
12	15.50	-3.50	12.25	0.7903
$\sum (O-E)^2/E = 64.3226$				

$\chi^2_c = 64.32 > \chi^2_{0.05} = 7.815$ at 3 degrees of freedom and 95% level of confidence.

Since the calculated chi-square value of 64.32 is greater than the critical chi-square value at 95% level of confidence, we accept the alternative hypothesis in that there is a significant relationship

between socio-Cultural factors and sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

4.6 Marketing strategy and sustainability of SMEs

The researcher further explored marketing strategy as a factor influencing sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya which was responded to in a 4 Likert scales of different levels of agreeing and disagreeing.

Table 4.11: Frequency table on marketing strategy

Response	Frequency	Percentage
Strongly disagree	2	3.23%
Disagree	16	25.81%
Agree	36	58.06%
Strongly agree	8	12.90%
Total	62	100%

From table 4.11 above, the data showed that most SMEs entrepreneurs consider marketing strategy as a factor influencing the sustainability of micro and small enterprises (SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya. The data show that thirty six(58.06%) respondents agreed followed while eight (12.90%) respondents who strongly agreed that marketing strategy as a factor influencing the sustainability of micro and small enterprises (SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya. On those who disagreed, sixteen (25.81%) respondents disagreed while two(1.61%) strongly disagreed that marketing strategy as a factor influencing the sustainability of micro and small enterprises(SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya.

4.6.1 Third hypothesis on marketing and Sustainability of SMEs.

H₁: Marketing has a significant influence in the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

Table 4.12 Showing observed and expected responses on relationship between Marketing and sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

Likert scale	1	2	3	4
Observed (O)	2	16	36	8
Expected (E)	15.50	15.50	15.50	15.50

Table 4.13 showing Chi-Square testing for the third hypothesis

O	E	(O-E)	(O-E) ²	(O-E) ² /E
2	15.50	-13.5	182.25	11.7581
16	15.50	0.50	2.25	0.1452
36	15.50	20.50	420.25	27.1129
8	15.50	-7.5	56.25	3.6290
				$\sum (O-E)^2/E = 42.6252$

$\chi^2_c = 43.73 > \chi^2_{0.05} = 7.815$ at 3 degrees of freedom and 95% level of confidence.

Since the calculated chi-square value of 42.63 is greater than the critical chi-square value at 95% level of confidence, we accept the alternative hypothesis in that there is a significant relationship between marketing strategies and sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

4.7 Technology factors and SMEs projects sustainability

The researcher further explored the univariate nature of the independent technological factors. The SMEs entrepreneurs responded to the variable in a 4-likert scale of different levels of agreeing to the factor as influencing sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

Table 4.14: Frequency table on Technological factors

Response	frequency	percentage
Strongly disagree	1	1.61%
Disagree	20	32.26%
Agree	30	48.39%
Strongly agree	11	17.74%
Total	62	100%

From table 4.14 above, the data showed that most SMEs entrepreneurs consider technological factors as a factor influencing the sustainability of micro and small enterprises (SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya. The data show that thirty s (48.39%) respondents agreed while eleven (17.74%) respondents who strongly agreed that technology as a factor influencing the sustainability of micro and small enterprises(SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya. On those who disagreed, twenty (32.26%) respondents disagreed while one (1.61%) strongly disagreed that marketing strategy as a factor influencing the sustainability of micro and small enterprises (SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya.

4.7.1 Fourth hypothesis on technology and implementation of SMEs

H₁: Technology has a significant influence in the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

Table 4.15 Showing observed and expected responses on relationship between technology and sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

Likert scale	1	2	3	4
Observed (O)	1	20	30	11
Expected (E)	15.50	15.50	15.50	15.50

Table 4.16 showing Chi-Square testing for the fourth hypothesis

O	E	(O-E)	(O-E) ²	(O-E) ² /E
1	15.50	-14.5	210.25	13.5645
20	15.50	4.5	20.25	1.3065
30	15.50	14.5	210.25	13.5645
11	15.50	-4.5	20.25	1.3065
				$\sum (O-E)^2/E = 29.5005$

$\chi^2_c = 29.50 > \chi^2_{0.05} = 7.815$ at 3 degrees of freedom and 95% level of confidence.

Since the calculated chi-square value of 29.50 is greater than the critical chi-square value at 95% level of confidence, we accept the alternative hypothesis in that there is a significant relationship between technology and sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter represents a summary of the major findings that were presented in chapter four, summary, conclusion and recommendations suggested by the researcher. All the findings are summarized according to objectives, how objectives agree or disagree with literature reviewed.

5.2 Summary of findings

The study was designed to establish whether the financial resources, socio-cultural factors, marketing and technology do contribute towards sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

On Financial resources the data analyzed shown that 82.25% of respondents considered financial resources as an important factor in sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. Only 17.75% of all the respondents disagreed with the fact that financial resources as an important factor in sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. The Chi square (χ^2_C) value of 50.901 which was greater than 7.815 at 3 degree of freedom and 95 % level of confidence shown that there was a significant relationship between financial resources and sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

The second objective sought to determine whether socio-cultural factors influence the sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

87.10% of all the respondents considered socio-cultural factors as important in influencing sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. Only 12.90% of respondents who disagreed with the fact that socio-cultural factors influence sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. The Chi square (χ^2_C) value of 64.32

which was greater than 7.815 at 3 degree of freedom and 95 % level of confidence shown that there was a significant relationship between socio- cultural factors and sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya .

On cost of marketing, 70.96% of respondents agreed that marketing factors influence sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya .Only 29.04% of respondents disagreeing the fact that marketing influence sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. The Chi square (χ^2_C) value of 42.63 which was greater than 7.815 at 3 degree of freedom and 95 % level of confidence shown that there was a significant relationship between marketing factors and sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya .

The final objective was that of technology where 66.13% agreed that technology influence sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya while 33.87% disagreed the fact that technology influence sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. The Chi square (χ^2_C) value of 29.50 which was greater than 7.815 at 3 degree of freedom and 95 % level of confidence shown that there was a significant relationship between technology and sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya .

5.3 Discussions

In this section, the findings of each objective are discussed and the researcher tries to show how the findings agree or disagree with the documented work of literature review that was confined in chapter two of this research report. The study found that sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya was positively correlated to all independent variables; financial resources, socio-cultural factors, marketing and technology .

The study found that financial resources influence sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. This

indicates that sources of financial resources and financial management skills are essential considerations in ensuring sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. The study support the work of Bhamra et al (2011) who indicated that the sources of the finance for any business venture greatly determines its survival in the market hence its sustainability

The study also sought to establish whether Socio-cultural factors influence sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. The study showed that religious background, formal education, age and experience have impact in ensuring sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. This study support literature reviewed which shown that young people are more aggressive by Alam (2010),experience count a lot in entrepreneurs performance by Hanna (2009) and Moser (1989) who shown that women were marginalized in different societies in terms of economic activities.

The results of third objective shown that marketing strategies influence sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. Most respondents agreed that marketing principles, knowledge and market development contribute towards sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya .The study concur with study done by Briggs (2009) which shown that marketing was a major factor contributing to sustainability of funded income generating projects

The researcher also showed that technology influence sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. This show that technology use in marketing, production and technology transfer contribute towards sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. This supports the work of Bowen et al. (2009) who showed that the efficiency of production sector can be increased by use of technology.

5.4 Conclusion

The study sought determines factors influencing sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya.

The researcher concluded that financial resources are key to sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. Thus the SMEs enterprises run by entrepreneurs with more financial resources and better financial management skill are more likely to be sustainable.

On socio-cultural factors, the results showed that socio-cultural factors do influence sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. This translate to fact that an SME run by an entrepreneur who is more experienced, with better education is more likely to be sustainable.

On third objective, the researcher also concluded that marketing strategy do influence sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. SMEs operated by entrepreneurs with market knowledge and well developed market are more likely to be sustainable.

On technology, the researcher concluded that technology has a role in sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. Indeed, where technology transfer is excellent and used in marketing and production, the level of SMEs sustainability is likely to be high.

5.5 Recommendations for policy action

To enhance sustainability of SMEs, the national and county governments ought to improve on sources of funding SME and at the same time train the SMEs entrepreneurs as per objective one in the study.

Promotion of entrepreneurial culture regardless of the gender and religious background need to be promoted in policy making these recommendations is in line with the second objective in the study.

SMEs need to be promoted through provision of technology and marketing this can be done by both policy makers at the county and national level to enhance sustainability of SMEs.

5.5.1 Recommendations for further studies

The study mainly covered on factors influencing in sustainability of small scale and micro enterprises projects funded under Women Enterprise Fund in Mombasa County, Kenya. The researcher highly suggests studies in the following:-

1. The Contribution of SMEs operated by women to the Kenyan economy.
2. The Government role in ensuring sustainability of SMEs in Kenya.

5.6 Contribution to the body of Knowledge

The study contributed the following to the body of knowledge:

The purpose of this study was to examine the factors influencing the sustainability of micro and small scale enterprises (SMEs) projects funded under the women enterprise fund in Mombasa County, Kenya. The study authenticated and supported the documented work of other researcher on sustainability of SMEs .The study added value to the context of SMEs sustainability that, financial resources, socio-cultural factors, marketing strategies and technology have an impact in sustainability of SMEs.

REFERENCES

- AbdulRazak (2010) Keynote address by the Honorary Prime Minister at Invest Malaysia 2010, Kuala Lumpur.
- Abukassim & Sulaiman (2010) '*Market orientation and leadership styles of managers in Malaysia*', International Journal of Leadership Studies, Vol. 6, No. 2, pp. 230-245.
- Alam (2010). Effect of Market Orientation on Small Business Performance in Small Town in Malaysia: An empirical study on Malaysian Small Firms. Manage. Mark. J.
- Alby et al (2012). Social Barriers to Entrepreneurship in Africa: The Forced Mutual Help Hypothesis. European Economic Association & Econometric Society Conference. Málaga, Spain.
- Al-Mahrouq (2010). *Success Factors of Small and Medium-Sized Enterprises (SMEs): The Case of Jordan*. Anadolu University Journal Of Social Sciences, 10(1), 1-16.
- Athanne (2011). *Entrepreneurship in Kenya*, Nairobi . Hubert Department of Global Health, Rollins School of Public Health, Emory University, Atlanta, Georgia, United States of America 1999, Nairobi: Government of Kenya.
- Avolio et al. (2009). Leadership: *Current theories, research and future directions*. *Annual Review of Psychology*, 60, 421 - 429.
- Bernardes & Hanna (2009). A theoretical review of flexibility, agility and responsiveness in the operations management literature: toward a conceptual definition of customer responsiveness. *International Journal of Operations & Production Management*.
- Botha & Esterhuyzen (2013). *The perceived capabilities and willingness of South African small business owners to act as business mentors*. *African Journal of Business Management* Vol. 7(5), pp. 331-343.
- Bhamra & Burnard (2011). Resilience: *the concept, a literature review and*

- future directions*. International Journal of Production Research, 49(18), 5375-5393.
- Mureithi et al. (2009). *Management of business challenges among small and micro enterprises in Nairobi, Kenya*. KCA Journal of Business Management.
- Briggs (2009). *Issues affecting Ugandan indigenous entrepreneurship in trade*. African Journal of Business Management, 3(12), 786-797.
- CMA. (2010). *Capital Raising Opportunities for SMEs : The Development of Micro-cap Securities Markets in Kenya*. Retrieved from Capital Markets Authority Website: www.cma.or.ke/index.php?option=com_docman&task=doc
- Deloitte (2012). *2011 East African Private Equity Confidence Survey: Promising 2012*. Retrieved September 26, 2014, from <http://www.deloitte.com>.
- Dasanayaka (2009) *Small and Medium Scale Enterprises in Informal Sector in Pakistan and Sri Lanka*, A Research Agenda, Euro Asia Journal of Management Vol. 38(2), PP. 85-102.
- Benzing et al. (2009). *Entrepreneurs in Turkey: A factor analysis of motivations, success factors, and problems*. Journal of Small Business Management, 47(1), 58-91.
- Hayat and Riaz 2011, '*The influence of the SMEs top level managers' leadership styles and their entrepreneurial orientation on the business performance*', SSRN library, reviewed 9 June 2014, <http://ssrn.com/abstract=1884069>.
- Hussain and Windsperger (2010). *Multi-unit ownership strategy in franchising: Development of an integrated model*. Journal of Marketing Channels, 17(1).3-31.
- Hussain et al. (2010). *Comparative Study on Impact of Internal and External CFFs on SMEs*. Journal of Small Business and Entrepreneurship 23, No. 4
- Equity Bank. (2012). *Equity Bank steps up its Ksh1 billion bid to boost financial literacy in Ethiopia, Kenya and Tanzania: An Overview Report*. Geneva: ILO
- Evans (2008). *Dual-processing accounts of reasoning, judgment and social cognition*.

- Annual Review of Psychology, 59, 255–278. Francisco, CA.
- Government of Kenya (2010; 2011;2012). Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction. *Sessional Paper No 2 of 2005*. Nairobi: Government Printer.
- Jayasingam and Cheng (2009) '*Leadership style and perception of effectiveness: Enlightening Malaysian managers*', Asian Social Science, Vol. 5, No. 2, pp. 54-64.
- Kaijage & Wheeler (2013).*Supporting Entrepreneurship Education in East Africa*. Nairobi.
- Khayesi & George (2011). When does the socio-cultural context matter? *Communal orientation and entrepreneurs' resource accumulation efforts in Africa*. Journal of Occupational and Organizational Psychology, 84, 471-492.
- Kioy (2011). Matatu entrepreneurs' *A study on investors in Kenya's informal transport business*. Lambert Academic Publishing.
- Kushnir et al.(2010). *Micro, Small, and Medium Enterprises Around the World: How Many Are There, and What Affects the Count?* World Bank/ International Finance Corporation. Retrieved from <http://www.ifc.org/wps/wcm/connect>.
- Marimuthu et al. (2009). *Human Capital Development and Its Impact on Firm Performance: Evidence from Development Economics*. The Journal of International Social Research, 8 (2), 124-135.
- Nieman & Nieuwenhuizen (2009). *Entrepreneurship: A South African Perspective*. Van Schaik Publishers. South Africa: Pretoria.
- Nichter & Goldmark (2009).*Small Firm Growth in Developing Countries*. *World Development*, 37(9), 1453-1464. doi:10.1016/j.worlddev.2009.01.013

- Ntayi et al. (2011). Contract Enforcement in Ugandan Business Transactions: *The Case of Small and Medium Enterprises*. Dakar, Senegal: Investment Climate and Business Environment Research Fund (ICBE).
- Kenya Economic Report (2014). "*Building a Globally Competitive Economy*". The Kenya Institute for Public Policy Research and Analysis (KIPPRA), Nairobi, Kenya.
- Kiraka (2012) *Innovative Private Sector Development Instruments – an African*
- Liu and Pang (2009). *Financial Factors and Company Investment Decisions in Traditional China*. Managerial and Decision Economics Journal, 30, 91-108.
- Miller et al. (2009). *The Case for Financial Literacy in Developing Countries: Promoting Access to Finance by Empowering Consumers*. World Bank, DFID, OECD, and CGAP joint note, Washington, DC: World Bank.
- Olawale & Garwe (2010). *Obstacles to the growth of SMEs in South Africa*. African Journal of Business Management, 4(5), 729-739.
- Philip (2010). *Factors Affecting Business Success of Small & Medium Enterprises*. Asia Pacific Journal of Research in Business Management, 1(2), 1-15.
- Papalexandris and Galanaki 2009, '*Leadership's impact on employee engagement*', Leadership & Organization Development Journal, Vol. 30, No. 4, pp. 365-385.
- Sejjaaka (2011). *Determinants of IPO readiness in emerging markets: the case for Ugandan firms*. Macroeconomics and Finance in Emerging Market Economies, 4(2), 269-288.
- Semboja (2009). *East African Economic Integration Base Case Economic Analysis*. African Integration Review, 3(2), 185-222.
- Stefanovic (2010). *Motivational and success factors of entrepreneurs: the evidence from a developing country*. Zb. rad. Ekon.fak. Rij. • 2010 vol. 28 • sv. 2 • 251-269.
- Stats (2009). Investor's Handbook. [On-line] Available:
<http://www.thedti.gov.za/publications/Investor> (Accessed 28 Sept 2014).

- The Republic of Uganda. (2011). *The National Micro, Small and Medium Enterprise (MSME) Policy*. Ministry of Finance, Planning and Economic Development.
- Yaqub and Hussain. (2010). *Micro-entrepreneurs: Motivations, Challenges and Success Factors*. International Research Journal of Finance and Economics.
- Valdiserri and Wilson. (2010). "The study of leadership in small business organizations: *Impact on profitability and organizational success*, The Entrepreneurial Executive, Vol. 15, p41-45.
- Viljamaa (2011). 'Exploring small manufacturing firms' process of accessing external expertise', International Small Business Journal, Vol. 29, No. 5, pp. 472-488.
- Wang and Poutziouris (2010) 'Leadership styles, management systems and growth: Empirical evidence from UK owner-managed SMEs', Journal of Enterprising Culture, Vol. 8.
- Siwad & Mhangami (2011). *An analysis of the performance of women entrepreneurs in a Multi-currency economy: The case of Midlands province of Zimbabwe*: University of Botswana Journal.
- The Economist (2009). "The Power of Money". September 24 2009, retrieved November 9, 2009
The Policy Environment on the Creation and Improvement of Jobs within Small Enterprises.
- Yin (2009) *Case Study Research: Design and Methods*. London: Sage Publications.
- Wright and Marlow 2012, 'Entrepreneurial activity in the venture creation and development process', International Small Business Journal, Vol. 30, No. 2, pp. 107-114.
- Wang, C. L. (2012). *Entrepreneurial leadership and context in Chinese firms: a tale of two Chinese private enterprises*. Asia Pacific Business Review, 18(4), 505-530.

APPENDICES

APPENDIX 1:

Letter of transmittal

Sesyline Kamuku

P.O Box 123

Mombasa.

Tel: 0723 992 378

Email: kamukusesyline@gmail.com

Dear participant,

My name is Sesyline Kamuku and I am a student undertaking a Master of Arts Degree in Project Planning and Management at the University of Nairobi, Mombasa Campus. To fulfill the completion of this course, I am carrying out a study on the factors influencing the sustainability of SMEs projects funded by WEF in Mombasa County. Since the matter affects the whole community, I am inviting you to participate in this research study by completing the attached questionnaire.

If you choose to participate in this research, please answer all the questions as honestly as possible. Participation is strictly voluntary and you may decline to participate at any time. In order to ensure that all the information will remain confidential, you do not have to include your name. The data collected will be for academic purposes only.

Thank you.

Yours faithfully,

.....

Sesyline Kamuku

**APPENDIX 2:
Research Questionnaire**

Section A: Background Information

1. Your gender: Male Female
2. Your age bracket (**Tick whichever appropriate**)
 Below 20 Years 21-30yrs 31 - 40 Years 41 - 50 years 51 - 60 years
 Over- 61 years
3. What is your highest education level? (**Tick as applicable**)
 Primary certificate Secondary certificate Diploma/certificate Bachelors' degree
 Postgraduate degree Others-specify.....
4. Working Experience in any area of work if employed elsewhere (*for employees only*)
 a) Less than 1 year () b) 1-2 years c) 2-4 years () d) 5 years and above ()

Section B: Item on Financial Resources Role

5. To what extent does availability/lack of sufficient financial resources influence the future of your business?
 Very great extent Great extent Moderate extent Little extent Not at all
6. According to your rating, to what extent do the following factors determine the sustainability of women run SMEs in Mombasa County?
(Very great extent=1, Great extent=2, Moderate extent=3, Little extent=4, Not at all=5).

Factor	1	2	3	4	5
Money provided by the Government					
Money provided by WEF for women SMEs					
Financial management skills from various financial bodies					
Financial savings done by the women operating SMEs					

Section C: Item on Socio-Cultural Factors

7. Do you think that the cultural beliefs and perceptions of the community about your business have any future impact on its operations?
 Yes () No () Not sure ()
8. Briefly give reasons for your answer in 7 above-----

9. Indicate the extent to which you agree or disagree with the following statements? Use a scale of 1-5 where

1= strongly agree, 2= agree, 3=weakly agree, 4= disagree, 5 = strongly disagree

Factor	1	2	3	4	5
Entrepreneur's age has a significant influence in SMEs sustainability					
Entrepreneurs' experience has a significant role in the future of the business					
Formal education determines the number of customers who are attracted					
Religious background determines the customers base of the SMEs					

Section D: Item on Marketing Strategy

10. To what extent does marketing strategically place the business for its future operations?

Very great extent [] great extent [] moderate extent [] little extent [] not at all []

11. To what extent do you agree or disagree on the influence of the following factors on SMEs sustainability? Use a scale of 1-5 where **1= strongly disagree; 2 = Disagree; 3 =Weakly agree; 4 =Agree; 5 = Strongly agree.**

Factor	1	2	3	4	5
Proper & well laid marketing principles influence SMEs sustainability					
Marketing knowledge has a significant influence on SMEs sustainability					
Market development strategies influence in sustainability					

Section E: Item on Technology Factor

12. Are you aware of the role played by technology in businesses sustainability today?

Yes () No () Not Aware ()

13. To what extent do the following factors influence the sustainability of SMEs in Mombasa County? Use a scale of 1-5 where, **Very great extent=1, Great extent=2, Moderate extent=3, Little extent=4, Not at all=5).**

Factor	1	2	3	4	5
Technology transfer in SMEs					
Technology in SMEs' products marketing					
Technology in increased SMEs' production increment					

13. Briefly explain any sustainable role played by modern technology in business sustainability
