

**DETERMINANTS OF PERFORMANCE OF SMALL SCALE ENTERPRISES
OWNED BY WOMEN IN INFORMAL SETTLEMENTS: A CASE OF
MABATINI VILLAGE, MATHARE SLUM IN NAIROBI COUNTY, KENYA**

BY

KARIMI JANET WANGECI

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

2016

DECLARATION

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

SIGNATURE.....DATE.....

Karimi Janet Wangechi

L50/63514/2010

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

SIGNATURE.....DATE.....

Professor Charles M. Rambo, (PhD)

Chairman, Department of Extra-Mural Studies

University of Nairobi

DEDICATION

I dedicate this project to my parents Mr. and Mrs. Karimi and husband Wilson Macharia who have always believed in me.

ACKNOWLEDGEMENT

I wish to abundantly thank my supervisor, Prof. Charles M.Rambo for his guidance, invaluable assistance and contributions. I am so much grateful for his reliability that enabled me to consult with him severally to enhance the quality of this project. I am also indebted to my lecturers in the MA Project Planning and Management programme who taught me. Am grateful to the University of Nairobi for giving me an opportunity to study. Thanks also to my colleagues for their academic and moral support throughout the course. I wish to acknowledge with much appreciation to my friends, husband and parents for their continued moral support. I wish to dedicate my time and the experience gained towards promoting change and implementing sustainable projects in the community.

.

TABLE OF CONTENT

	Pages
DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF FIGURES	viii
LIST OF TABLES	ix
LIST OF ABBREVIATIONS AND ACRONYMS	x
ABSTRACT	xi
CHAPTER ONE:INTRODUCTION	1
1.1 Background to the study	1
1.2 Statement of the problem	4
1.3 Purpose of the study.....	5
1.4 Objectives of the study.....	5
1.5 Research questions.....	6
1.6 Significance of the study.....	6
1.7 Delimitations of the study.....	7
1.8 Limitations of the study	7
1.9 Basic assumptions of the study	7
1.10 Definition of significant terms	8
1.11 Organization of the study.....	9
CHAPTER TWO: LITERATURE REVIEW	10
2.1 Introduction.....	10
2.2 Concept of small scale enterprises in informal settlements	10
2.3 Access to capital and performance of small scale enterprises	12
2.4 Availability of markets an performance of small scale enterprises	15
2.5 Role conflict and performance of small scale enterprises	19
2.6 Levels of education and performance of small scale enterprises.....	21

2.7 Theoretical framework.....	23
2.7.1 Three sigma of business theory model.....	24
2.7.2 Women empowerment framework	25
2.8 Conceptual framework.....	28
2.9 Knowledge gaps.....	29
CHAPTER THREE: RESEARCH METHODOLOGY	35
3.1 Introduction.....	35
3.2 Research design	35
3.3 Target population	35
3.4 Sample size and sampling procedures	36
3.4.1 Sample size	36
3.4.2 Sampling procedures.....	37
3.5 Research instruments	37
3.5.1 Pilot testing	38
3.5.2 Validity of instruments	38
3.5.3 Reliability of instruments.....	39
3.6 Data collection procedures.....	39
3.7 Data analysis techniques	40
3.8 Ethical considerations	40
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION	43
4.1 Introduction.....	43
4.2 Questionnaire return rate.....	43
4.3 Demographic characteristics of respondents	44
4.4 Access to capital and performance of small scale enterprises	46
4.5 Availability of markets and performance of small scale enterprises	50
4.6 Role conflict and performance of small scale enterprises	53
4.7 Level of education and performance of small scale enterprises	58
CHAPTER FIVE: SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSION AND RECOMMENDATION	63

5.1 Introduction.....	63
5.3 Summary of findings.....	63
5.3 Discussion of findings.....	65
5.4 Conclusions.....	68
5.5 Recommendations.....	69
5.6 Areas for further studies.....	70
REFERENCES.....	71
APPENDICES.....	79
Appendix i: Letter of Transmittal	79
Appendix ii: Questionnaire for business women	80
Appendix iii: Krecjie and Morgan table	84

LIST OF FIGURES

Figure 1: Conceptual framework	28
---	----

LIST OF TABLES

Table1: Gaps in literature review	29
Table 2: Data for population number of women entrepreneurs	36
Table 3: Data for sample number of women entrepreneurs	37
Table 4: Operationalization of variables	40
Table 4.1: Questionnaire return rate	43
Table 4.2 Demographic characteristics of respondents	44
Table 4.3 Initial capital of the business.....	46
Table 4.4 Source of start-up funding.....	47
Table 4.5 Accessibility of capital.....	48
Table 4.6 Income per week	49
Table 4.7 Borrowing will improve business	50
Table 4.8 Influence of entrepreneur in similar business venture	51
Table 4.9 Attending training is important for business.....	52
Table 4.10 Use of technology to market product/services.....	52
Table 4.11 Family affects business	53
Table 4.12 Who takes care of family while at work	54
Table 4.13 Work reporting time.....	55
Table 4.14 Spousal or family support affects business	55
Table 4.15 Who makes decisions about business	56
Table 4.16 Decisions made affect business.....	57
Table 4.17 Use of business income affects business performance	58
Table 4.18 Highest level of education.....	59
Table 4.19 Having books of accounts	60
Table 4.20 Books of accounts assist in tracking profit and losses	61
Table 4.21 Attending any course on entrepreneurship is important	61
Krecjie and Morgan table.....	84

LIST OF ABBREVIATIONS AND ACRONYMS

ILO	International labour Organization
KCPE	Kenya Certificate of Primary Education
KCSE	Kenya Certificate of Secondary Education
KNBS	Kenya National Bureau of Statistics
MFI s	Micro Finance Institutions
PhD	Doctor of Philosophy
MSE s	Micro and Small Enterprises
SME s	Small and Medium Enterprises
SSE s	Small Scale Enterprises

ABSTRACT

The purpose of the study was to examine the determinants of performance of small scale enterprises owned by women in Mabatini village, Mathare slum. The objectives of the study were To examine how access to capital determines performance of small scale enterprises owned by women in informal settlements. To establish the influence of availability of markets on the performance of small scale enterprises owned by women in informal settlements. To examine how role conflict determines performance of small scale enterprises owned by women in informal settlements. To assess how levels of education determine performance of small scale enterprises owned by women in informal settlements. The research design that was used was cross sectional descriptive research design. It was chosen because it provides data on the entire population and allow the researcher to collect numerous information on the subjects of study at once. This research design was better than others because one can record data without manipulating it and will allow the researcher to compare many variables at the same time. The target population was women who own businesses in Mabatini village, Mathare slum with a sample size of 168 women. The sampling procedure that was employed was purposive sampling. This was used to identify the women who own businesses. Stratified sampling was used in the identification of the various businesses women engage in. The research instrument that was used was a questionnaire structured on the variables under study. The researcher used descriptive and multi variate and Regression Analysis. In conclusion, 89.3% of the respondents got their start-up capital from personal savings, households, friends and relatives, inheritance, NGOs, this implies that as much as credit is available, majority still cannot afford interest rates charged by banks and micro finance institutions, therefore, there is need to this affordable to enable small micro enterprises access credit. On access to markets,78% of the traders felt that use of technology would improve their business. Therefore, traders should join hands with MFIs so that these skills are imparted for their businesses to perform better. On role conflict, 55.3% of the respondents felt that having a family affected the performance of the business and being that 47.6% of the respondents solely take care of their families could further explain why the respondents felt that having a family affects the business due to time constraints. On levels of education, 69% of the respondents said they had books of accounts thus they were able to track on the performance of the business and 81.5% of the respondents agreed that using books of accounts can assist an entrepreneur track the performance of the business. The researcher recommends that to fight poverty in Kenya, the regulators of micro finance institutions should have a policy that will regulate the rate of interest charged as the women entrepreneurs felt that the interest rates were too high and hence most could not afford to take loans. Areas for further research would include a study that would establish the number of traders in the informal sector in the informal settlements. This could also be categorized per trade. Studies that would establish the trainings needs of traders of informal businesses so as to help improve performance of their businesses

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

The important role that small scale businesses and entrepreneurship play in stimulating economic activity, creating jobs, alleviating poverty and uplifting living standards, has been recognised internationally as well as in Africa (Van Vuuren & Groenewald, 2007).

Maas and Herrington (2006) indicate that International Trade Centre (2004), Canada has experienced a 200% growth in the number of women entrepreneurs over the last 20 years. Women are playing a central role in rebuilding the middle class and keeping our economy growing. Women owned businesses represent one of the fastest growing segments of the economy. According to the National Women's Business Council women owned firms grew 44% from 1997 to 2007, twice as fast as male owned firms. There are 7.8 million women owned businesses in the US and 88% of these are small businesses. Women continue to start businesses in this country, making it imperative for them to have the right tools to be successful. From the GEM 2012 survey, it is apparent that in Latin America and the Caribbean the overall level of entrepreneurship is high, including that of women. A relatively low rate of women entrepreneurs can also be found in Eastern Europe. The exception is Russia, where women represent 44% of total entrepreneurs, but overall in this region no more than 10 % of women are starting or running new businesses. In contrast, Singapore and Switzerland exhibit comparatively high levels, while France and the Republic of Korea report low rates - about one fourth of the entrepreneurs are women there.

Southern Africa is a developing region with high unemployment rates, low levels of formal and higher education, the migration of individuals from rural areas to cities, corporate restructuring and government policies, and regulations that enforce the restructuring of larger organisations. The region thus has an urgent need for entrepreneurs in the small, micro- and medium enterprises (SMEs) who can act as a tool to combat

unemployment and crime and to stimulate the economy as a whole. The growth in the number female entrepreneurs out number male entrepreneurs. This led to the renewed focus on gender entrepreneurship and the development of appropriate entrepreneurship interventions for gender-specific groups internationally (Maas & Herrington, 2006). In Chile, a developing country, the estimation is that there are 513 000 women entrepreneurs, which is 33% of all entrepreneurs and has increased from 20% three years ago. The estimate is that by 2010 female entrepreneurs in Chile will equal the male entrepreneurs and create more than 50% of the jobs in new enterprises. Within the African context, taking Cameroon as an example, women entrepreneurs manage 57% of small and micro-businesses, while in Uganda women entrepreneurs form the majority of the country's business people in the areas of farming and small to medium-sized enterprises. Women-owned businesses comprise up to 38% of all registered small businesses worldwide. The number of women-owned businesses in Africa, Asia, Eastern Europe and Latin America is growing rapidly and, with that growth, come direct impacts on job creation and poverty reduction (United Kingdom Department for International Development, 2010).

Micro enterprises owned by women face these gender related challenges despite their significant contribution to the economy, according to the (Economic Survey, 2006). The few women who venture into micro enterprises encounter serious challenges that hinder them from prospering since most of the support is tailored for small and medium enterprises. This support includes the setting of women specific programmes in training institutions, the Women Enterprise Fund and much of the donor support which fails to reach the women in micro enterprises. These women are left to seek alternative sources like the women's popular merry go round for both financial support which may not be sufficient and business advice which may not suffice to help the business grow and prosper.

Research shows that women's limited access to formal education, limited skills and access to productive resources, heavy domestic workload and cultural attitudes are all

challenges that women encounter in the establishment and operation of micro enterprises (Suda, 2010). Unlike previous studies conducted by the (ILO, 2009) and other researchers like (Suda, 2010 & Kariuki, 2010) that focus on the challenges that business owners encounter regardless of their gender or social status this study focused on social cultural and economic aspects that bring about gender challenges that women in micro enterprises in Mathare slum face. In this context, gender challenges are seen to constraint growth and poverty reduction by denying access to a wide range of economic, human and social capital assets (Suda, 2010).

Although women constitute a little over one half of Kenya's population, they rank lower than men in almost every social indicator in the country (Kenya Bureau of Statistics, 2011). However, despite this, female entrepreneurs are increasingly prominent as employers, customers, suppliers, and competitors in the global community. More than one third of people involved in entrepreneurial activities are women (GEM, 2004).

While a research by Greene *et al.*, (2003) shows similarities in the personal demographics of men and women entrepreneurs, there are differences in business and industry choices, financing strategies, growth patterns, and governance structures of female led ventures. These differences provide compelling reasons to study female entrepreneurship looking specifically at women founders, their ventures, and their entrepreneurial behaviors as a unique subset of entrepreneurship (Greene *et al.*, 2003).

It is against this backdrop of industrial development and women's role and participation in the national economy that one must critically view the emerging needs of and scope for women entrepreneurial development. As suggested by Greene *et al.*, (2003), observable differences in women owned enterprises reflect underlying differences in their motivations and goals, preparation, organization, strategic orientation, and access to resources. According to Mathare Zonal Plan Nairobi, Kenya Collaborative Plan for Informal Settlement Upgrading, 2012, 87% of slum dwellers in Mathare are involved in

casual and small scale enterprises. Their businesses range from food kiosks, shops, tailoring, and hairdressing among other enterprises.

1.2 Statement of the Problem

There are large numbers of poor women in Mathare slum despite the numerous economic opportunities available for exploitation within the area and its environs. The area has a large population that creates demand for goods and services. The women in Mathare could easily take up these numerous opportunities by engaging in the various micro enterprises but only few do so, this is because many of them encounter challenges that lead to the death of their enterprises, according to Bowen *et al* (2009) three out of five enterprises fail within the first few months.

Women owned micro enterprises in the slums are known for their low start up and working capital (Glen, 2003) such enterprises have low growth rate and limited potential partially due to the nature of businesses they venture into like vegetable & fruits and clothes vending, road side food kiosks, tailoring shops and salons most of which have a short life span or are seasonal. They therefore, are unable to retain customers because they keep changing the type of business. Women are also perceived by society to have little knowledge of business because they have little or no education and experience. Lack of adequate capital will lead to the collapse of any business. This is in regard to development capital and expansion of the business.

Women entrepreneurs in informal sector experience various problems while undertaking their activities. Certain barriers in the business environment have a disproportionate effect on women entrepreneurs. For example, World Bank (2003), asserts that even though women entrepreneurs in informal sector contribute a lot for the economic development, they are affected by lack of entrepreneurial, managerial and marketing skills. Lack of market will affect the performance of a business because the number of

competitors, marketing training attended, business innovations and technology employed will determine whether a business is successful or will fail. With other business people in the same trade, a business owner needs to employ these skills to retain customers and attract new ones.

Role conflict will also determine time spent away from work, time one reports to the business,

support by spouse and family hence influencing performance of the business. When a lot of time is lost when one is away will lead to loss of customers thus family support is crucial.

Levels of education is key to performance of any business. This includes level of education, trainings attended and technology skills acquired by the business owner. One has to keep track of how the business is running, only then can they know if they are making profits or losses. Lack of education will there lead to failure of the business.

It is against this background that this study aims to find out determinants of performance of small scale enterprises owned by women in Mathare slum.

1.3 Purpose of the study

The purpose of the study was to examine determinants of performance of small scale enterprises owned by women in Mathare slum.

1.4 Objectives of the study

The study was guided by the following objectives.

- i. To examine how Access to Capital determines performance of small scale enterprises owned by women in informal settlements.

- ii. To establish how availability of Markets determines performance of small scale enterprises owned by women in informal settlements.
- iii. To examine how Role conflict determines performance of small scale enterprises owned by women in informal settlements.
- iv. To assess how levels of education detrmine performance of small scale enterprises owned by women in informal settlements.

1.5 Research Questions

- i. How does access to capital determine performance of small scale enterprises owned by women in informal settlements?
- ii. How does availability of markets determine performance of small scale enterprises owned by women in informal settlements?
- iii. How Role Conflict determines performance of small scale enterprises owned by women in informal settlements?
- iv. How levels of education determine performance of small scale enterprises owned by women in Nairobi informal settlements?

1.6 Significance of the study

It was hoped that the findings of the study can be valuable to policy makers in setting up policies aimed at improving the performance of businesses operated by women entrepreneurs, potential women entrepreneurs in order to improve their social and economic status and alleviate the problems that women entrepreneurs face so that their businesses run for years.

The study also hopes that findings of the study can also be valuable to scholars and academicians on women entrepreneurship as the study may provide theory and information relevant to them.

The findings may be important to the government as it can be used to formulate policies that can be used to build more resilient businesses.

1.7 Delimitations of the study

The study was carried out in Mathare slum and will be delimited to determinants of performance of small scale enterprises owned by women in informal settlements. These included access to capital, availability of markets, role conflict and levels of education. According to Mathare Zonal Plan Nairobi, out of 87% of slum dwellers in Mathare are involved in small scale enterprises and casual labour. The researcher picked on mathare slum because it was noted that few similar studies had been done in the area.

1.8 Limitations of the study

The study was limited by the amount of information obtained from women entrepreneurs as some may hold back some of the key information required by the researcher. The researcher overcame these challenges by persuading the entrepreneurs to be open and honest in divulging information. The researcher also assured the respondents that the information collected would be treated as confidential and would be used solely for academic research

1.9 Basic assumptions of the study

The researcher assumed that recommendations made by this study would be used by the stakeholders to improve small scale enterprises run by women. The researcher also assumed that data collected from respondents would be valid and correct by designing a questionnaire that was clear, had instructions, short, unbiased, consistent, relevant and

included all the variables under study. The questionnaire was also pretested to a group of business owners who were not part of the target population.

1.10 Definition of significant terms used in the study

Access to capital: Refers to money needed to develop and expand a business which can either be borrowed from friend, family, and relatives or from MFIs needed for business development, expansion, growth or for training.

Women Entrepreneur: Refers to any women in informal settlements engaged in an economic activity in the informal sector.

Informal sector: Refers to economic activities characterized by relative ease of entry, reliance on indigenous resources, family ownership, small scale operations, reliance on skills acquired outside of the formal education system.

Informal settlements: Refers to Mathare slum.

Availability of Market: Refers to the number of competitors within the entrepreneurs' field, marketing trainings attended, business innovation and technology employed.

Role conflict: Refers to the time spent away from work, when one reports to work, support by their husbands or family.

Levels of education: Refers to entrepreneur being able to keep book of records to track the performance of their business.

Performance of Small scale enterprise: Refers to small businesses owned by women in informal settlements as sources of income. Indicators will include, profit made per week, time the business has been in operation and growth in assets.

1.11 Organization of the study

This proposal is organized into five chapters. The first chapter gives an introduction of the study area taking into account the background information with the world wide view, Africa and finally Kenya's situation in light to the topic under study, statement of the

problem explaining why the study has been undertaken, purpose of the study, objectives of the study, research questions and significance of the study area and limitations of the study and how they will be overcome. The second chapter contains reviews of various literatures that are available in the study area. They fall into these variables, lack of capital, limited markets, role conflict and levels of education. The third chapter takes us through the research design, target population where the researcher assumed that findings from the study that focused on one village would be a representation of the whole of mathare due to homogeneity of characteristics, sampling procedure and sample size, research instrument which includes pilot testing, validity of instruments and reliability of instruments, methods that will be employed to collect data and analysis techniques that are going to be used. Chapter four will present the findings of the study on data collected on lack of capital, limited markets, role conflict and levels of education, while chapter five will present the summary of the findings on lack of capital, limited markets, role conflict and levels of education, conclusion drawn from the findings on the four thematic areas highlighted and recommendations on lack of capital, limited markets, role conflict and levels of education done.

CHAPTER TWO LITERATURE REVIEW

2.1. Introduction

This section reviews the literature on the concept of small scale enterprises in informal settlements. It also discusses how access to capital influences performance of small scale enterprises owned by women in informal settlements, availability of markets capital influences performance of small scale enterprises owned by women in informal settlements, role conflict capital influences performance of small scale enterprises owned by women in informal settlements, levels of education capital influences performance of small scale enterprises owned by women in informal. The women empowerment framework has been adopted. The conceptual framework has also been used to show the relationship between the independent variables, moderating variables, intervening variables and the dependent variable. Gaps of the literature review are also discussed.

2.2 The concept of small scale enterprises in informal settlements

According to the Journal of Business Venturing, (2011), the performance implications of innovation in small and medium-sized enterprises (SMEs) have attracted considerable interest among academics and practitioners. However, empirical research on the innovation–performance relationship in SMEs shows controversial results. This meta-analysis synthesizes empirical findings in order to obtain evidence whether and especially under which circumstances smaller, resource-scarce firms benefit from innovation. We find that innovation–performance relationship is context dependent. Factors such as the age of the firm, the type of innovation, and the cultural context affect the impact of innovation on firm performance to a large extent.

The role of entrepreneurship has been known for many decades as the most important factor contributing to the economic development. Most studies, regarding female or gender difference in SMEs performance have mainly emerged from developed countries:

while in other developing parts of the world such as Africa; there is still a huge gap in the entrepreneurship performance of men and women in social, cultural and economic activities. However, research on female entrepreneurship across Africa is crucial to the creation of knowledge base on literatures with regards to the common forces influencing the performance of female entrepreneur's. This study has been conducted using the systematic literature review methodology with a critical reviews and analysis of both theoretical and empirical findings of about 68 articles. This study analyzed and reviewed common factors influencing the performance of Female Entrepreneurs across Five (5) African Countries in east, west and southern Africa: particularly with countries such as Nigeria, Ghana, South Africa, Botswana and Ethiopia. The result of this study shows that these factors are mainly associated with social structural problems. For examples cultures and values affecting female entrepreneurs in most African countries are almost the same with each theme of factors recurring at each specific country region. However, from the variation of results of these factors shows that religion/cultures, family responsibilities, education/ experience and technology may influence the performance of some group of female entrepreneurs in some country's context, Ewoh, (2014).

According to the EU, (2016), there is great potential to accelerate economic growth and job creation and the number and competitiveness of its small and medium sized SMEs. Support for startups is essential if large volumes of new SMEs and entrepreneurship activity are to be stimulated. However, alongside the current provision of start up grants and loans, more emphasis is needed on complementary training and information on entrepreneurship. There is also need for greater emphasis on actions that support capabilities of SMEs and entrepreneurs to develop new markets and innovate in their product, services and production methods.

Women in Kenya comprise of slightly over 50% of the country's estimated population of 40 million (KNBS 2010). Their numerical strength suggests that women do indeed play a significant role in economic growth and development (Walelign & Wondim, 2002) providing up to 80% of the labour in the informal sector. The fact that women's labour is however not remunerated or recognized posing a great challenge to women. This has

contributed to women being disproportionately affected by poverty all over the world (Kariuki, 2010). In addition to this there is a high rate of unemployment among women in the formal sector where men occupy over 70% of all jobs (Suda, 2002). With this diminished options women especially in the urban areas have ventured to micro enterprises to enable them earn an income.

2.3 Access to Capital and performance of small scale enterprises

A large number of empirical studies have addressed the issue of financial constraints, mainly in order to study the relation between the firm's investments and the availability of internal and external funds. Under perfect capital markets, internal and external sources of financial funds are perfectly substitutable Modigliani and Miller (1958), so that the availability of internal funds should not affect investment decisions. Small firms cannot exploit economies of scale in the same way as large firms can they face more financial constraints. Since young companies have not accumulated sufficient cash flow and are unable to rely on bank financing, they have to depend on the equity investments. The analysis of the effects of financial constraints on the firm Survival and growth therefore is important.

The Institute of Economic Affairs of Kenya (2008) asserts that though the overall poverty incidence declined from 56% in 2000 to about 47% in 2005/06, the poverty headcount was higher among women in both rural (50%) and urban (46%) areas. A number of women-owned businesses in developing countries today are micro, small or medium enterprises. This is due to various reasons such as: inability of women to raise sufficient capital to begin business, lack of sufficient collateral to access credit facilities to expand business and family related activities such as child rearing may hinder business growth. These reasons can then be addressed by the government and institutions while providing solutions that are long lasting. A study by the International Labor Organization (2008) revealed that, the Government of Kenya has made available low interest loans for women entrepreneurs through their banks but the entrepreneurs feel the interest rates are

still high and they are not able to make enough profit as they would wish and still be able to pay the loans.

The role of capital in business success is highly evident. Coleman (2009) used data from the Federal Reserve in the 1998 survey of small business finances and found that both human capital in the form of prior business experience and financial capital in the form of loans were predictors of growth. A second, and smaller, group of studies sought to establish a link between the performance of women-owned firms and their willingness and ability to secure additional sources of capital (Nichter and Goldmark, 2009). Despite that, indigenous women source business capital mainly from personal savings and find it challenging in accessing funds from banks and other financial institution because they are secluded and lack primary collateral which stand as a primary guarantee for loan.

Researches support the fact that women educational levels of women entrepreneurs in low-income entrepreneurs, mostly in developing countries, do not have easy access to credit for their entrepreneurial activity; likewise, women entrepreneurs tend to have little or no education and often lack confidence and are less educated than those in low income countries. Lack of capital to start or run business lead them to request for credits from micro-finance institutions Ibru, (2009). This is due to lack of collateral, poverty, unemployment, low household and business income and inability to save Parrot. ILO (2008) also studied women enterprises in Kenya and found that one of the major barriers facing them was lack of sufficient capital for expansion (affecting 55 per cent of businesses) and/or cash for the business (affecting 30 per cent of the businesses).

Women entrepreneurs, mostly in developing countries, lack the ability to save, Mkpado and Arene, 2007, yet savings are needed to protect income, act as a security for loan and could be re-invested in the business. Savings as a micro-finance factor enable people with few assets to save, since they could make weekly savings as well as contribute to group savings, and such savings are mobilized by the micro-finance institutions for further lending to other client. Even though the literature is not conclusive, a common challenge

for women to establish and run a business is access and control over finance (Minniti, 2009). Women entrepreneur appear to have less access to external sources of capital than men when securing finances.

Financial institutions play a vital role in promoting the growth of entrepreneurial activities. Females across the globe complain about lack of financial resource (Halkias *et al.*, 2011). Credit lines for female entrepreneurs granted by financial institutions have not been of significant volume. Stereotyping haunts female entrepreneurs - they complain about the discouraging attitude of financial institutions towards them (Roomi *et al.*, 2009). “There are reports claiming discrimination against women entrepreneurs when applying for loans from private sector banks, even though they often have superior collateral” (ECA, 2004; Roomi *et al.*, 2009).

Credit facilities form an integral part of microenterprise development. It is essential in starting, expanding or improving the productivity of an enterprise. As entrepreneurs, however, it is widely acknowledged that women in Kenya as in most African countries have limited access to credit Odero-Wanga *et al.*, 2010. This has mainly been due to the fact that these women lack acceptable collateral required as security by formal financial institutions (Akingunola & Onayemi, 2010). Although microfinance institutions have been set up to deal with the weakness of formal banks, these too have conditions that are not friendly to women.

Although the informal sector provided flexible avenues for these women to access credit, most of the financial assistance from these sources was not sufficient for effective management of their enterprises. Financial assistance from friends and relatives were unreliable and in small amounts. Some credit sources such as money lenders demanded high repayments prohibiting the women from owning money they generated. This negatively affected the quality of products and the income derived from their enterprises. Further, the limited access to credit also prevented these women from taking advantage of profitable opportunities as they became available. This state of affairs has major

implications on sustainability of women owned enterprises due to strained financial resources that can be received from the informal quarters. This ends up affecting the overall welfare of the family as it has been shown that women spend more of their income on their households Kimani &Kombo, 2010.

The greatest barrier facing women entrepreneurs in Kenya is access to finance is an issue because of requirements of collateral. In Kenya only 1% of women own property and that makes it very difficult for women to provide collateral for banks. Most women who venture into businesses in the rural areas and need financing lack the needed collateral to enable them secure bank loans. Responsibility of entrepreneurs for dependants has limited opportunities to make savings or undertake business expansion and diversification Athanne, 2011. The financial aspects of setting up a business are without doubt the biggest obstacles to women Zororo 2011.

2.4 Availability of Markets and performance of small scale enterprises

Often women lack the knowledge and ability to identify market potentials for their products and the skills necessary to start, improve, expand and manage their businesses successfully. Findings from the WED, 2007, study conducted and general project experiences made in phase 1 indicated

That women entrepreneurs tend to run home-based businesses, which deprives them of a broader market access. Women tend to sell their products and services to friends, family members and the surrounding neighbourhood. The gender gap is also visible in business performance (GEM, 2010).

According to *The Journal of Development Studies*, 1995, a study concerned with the growth of small local industry in developing countries was conducted. It explored one particular route for understanding and fostering such growth. It focused on the clustering of firms and the competitive advantage which they derived from local external economies and joint action, captured in the concept of collective efficiency. Following a conceptual discussion, the article explored the economic and institutional conditions which enhanced or hindered collective efficiency. This included a case study which suggested that responding to opportunity and crisis required shifting from mere reliance on external economies to joint action and from ascribed to earned trust.

In contrast to market economies, which are predominantly shaped by privately-owned businesses, transitional economies (that is, former centrally-planned economies) are characterized by a diversity of organizational forms generally including state-owned, collectively-owned, privately-owned, and foreign joint ventures. Of these, collectively- and privately-owned firms are mostly small businesses (Chow and Fung, 1996; Nee, 1992). Although the formation and expansion of small businesses have been features of all transitional economies (Naughton, 1994) the Chinese economy (one of the most notable centrally-planned economies in the past) has relied on collectively-owned businesses whereas other transitional economies have built mainly upon growth in the new private sector (Perkins, 1994). The Chinese case demonstrates that the key feature of structural transformation is the development of new' firms, especially small businesses, rather than privatization per se. This development creates competition and drives market expansion, leading to a decline in state control and monopolies. Relative to urban collectives, rural collectives (namely, township and village enterprises, or TVEs), have played an important role in accelerating China's phenomenal growth and shaping its economic reforms (Jefferson, Rawski, and Zheng, 1992).

According to the Kenya Rural Enterprise Program and Central Bureau of Statistics (CBS) baseline survey conducted in 2009, the number of men and women owning micro-enterprises in Kenya was almost equal. Women in this sector are concentrated in the

informal, micro, low growth, low profit areas, where competition is intense. These include food vending, tailoring, batik making, beauty salons, decorations, local brewing, catering, pottery, basket making, and food processing and charcoal selling. The main reasons are that these sectors require relatively small start-up capital and are thus easy to enter. The incidence of growth of their MSEs is very low, and indeed much lower than that of male-owned enterprises.

Raj (2007) conducted a study to ascertain the financial, marketing and production constraints

faced by women in their enterprises; assessment of their health status, work place facilities and to develop guidelines for becoming a successful entrepreneur. Poor location of unit, tough competition from larger and established units, lack of transport facility, lack of rest and sleep and non-availability of raw material were the significant problems faced by entrepreneurs. The factors causable to these problems were; difficulty in affording own vehicle, not being popular, heavy schedule of work and long working hours. Common entrepreneurial problems can be dealt by formulating self-help mutually aided groups. Emran *et al.*, (2007) have pointed out, the concentration of so many poor women in survivalist forms of self employment, and their inability to grow their enterprises, frequently reflects a variety of missing and imperfect markets, with missing or imperfect labour markets likely to be most salient.

Networking is a source of competitive edge (Miller *et al.*, 2007); it plays a decisive role during the daily operations of an entrepreneurial venture as well as for future growth (Cantzler and Leijon, 2007). As resources in an economy are always scarce, better planning to acquire these resources and their effective utilization is imperative. Efficient networking keeps an entrepreneur one step ahead of his/her competitor in grabbing these resources (Timmons, 2009). In some cases, women derive new business ideas and opportunities from these networks (Farr-Wharton and Brunetto, 2007). Some studies describe women as being more effective in developing networks (Sorenson *et al.*, 2008) Female entrepreneurs also lack managerial skills (Itani *et al.*, 2011). These females have

less knowledge about market conditions and lack basic training to run a business venture (Roomi *et al.*, 2009).

As Emran et al (2007) have pointed out, the concentration of so many poor women in survivalist forms of self employment, and their inability to grow their enterprises, frequently reflects a variety of missing and imperfect markets, with missing or imperfect labour markets likely to be most salient. According to ILO, (2007) the actual delivery of technical support to women's businesses in Aceh and research in the past 18months have revealed the gender dynamics in the SME sector in Aceh, where the majority of women's enterprises are small, marginal, and informal. Up to now, a majority of Acehnese women entrepreneurs have not been able to take advantage of business opportunities and resources available. As mentioned earlier, women are not only less likely than men to start a business, their businesses also tend to be smaller, have fewer staff and less growth expectations. Furthermore, women generate relatively lower revenues than men, and earn less income from entrepreneurial activity.

Whilst micro-enterprises are very often the source of innovation, they are also especially vulnerable to competition from counterparts who introduce new products or services, or improve their production processes, lacking the resources to respond rapidly. Competition (markets) and information related factors, are said to be major challenges. Competition is seen in form of the size of market share in the rural setting. Most of these markets are not expanding and new competitors such as mini-super markets with wide varieties of products for those who were engaged in selling household products are emerging.

Ampel-Milagrosa (2011) reports examples of woman entrepreneurs in Ghana who were denied

business by male customers and purchasing agents on grounds of their gender. Gender-related constraints, both intrinsic and imposed, thus underpin many of the gender inequalities we observe in relation to labour market processes and outcomes, including persistence in the gender segregation of jobs.

2.5 Role conflict and performance of small scale enterprises

Kinnunen and Mauno (2007) and Rajadhyaksha and Ramadoss (2010) focused on assessing work family conflict/work life balance among employees in various settings and also identified the direction of spillovers. The study using two separate samples of employed people with families, a systematically selected sample of psychologists and a volunteer sample of managers. The findings indicated that the two types of perceived work family conflict (work interference with family and family interference with work) were clearly separable and relatively independent of each other. The people perceived less family interference with work than work interference with family. Rajadhyaksha and Velgach (2009) also found that women experienced significantly higher family interference with work as compared to men. However there were no significant differences between men and women in the experience of work interference with family. The purpose of the study undertaken by Grzywacz *et al.* (2007) was to expand the understanding of how culture contributes to the occurrence and consequences of work to family conflict. The study evaluated predictions drawn from emerging models emphasizing the influence of cultural characteristics, such as collectivism and gender ideology on work family conflict. It was found that immigrant Latinos reported infrequent work and family conflict. The findings were consistent with earlier research that individuals from more collectivist cultures experience fewer conflict between work and family, as in these cultures, work and family are viewed as more integrated. Results also indicated that the level of work to family conflict differed with gender.

Another more recently frequent mentioned challenge is the combination of the business with family responsibilities, which may undermine the success of the business (Jennings and McDougald, 2007). Women entrepreneurs indicate that they deploy several strategies to cope with the double workload and challenges deriving from combining business with family.

A gender sensitive, multi-level analysis along the lines proposed by Brush, de Bruin and Welter (2009) Lends itself rather well to analyse the intrinsic relationships between

business and the family that play an important role in business performance and growth. There is evidence that family support (both financial and emotional) is an important determinant of entrepreneurial behavior: it shapes the confidence of women entrepreneurs to achieve their ambitions, enhancing the chances for the growth of their business. More importantly, the division of work and care responsibilities within the household between husband and wife plays a vital role in the performance of entrepreneurs and the growth of their businesses (Jennings; *et al*, 2007).

According to Aidis, 2007, the reflection of women's assumed gender role in the household and society at large affects their ability and willingness to use household resources for entrepreneurial activities; and their access to formal and informal networks compared to men.

One other challenge is the responsibility of providing for the extended family and relatives. Most micro-enterprise financial resources are not usually isolated from personal finances and hence these family obligations are met from resources earned in the business. Their demands tend to drain the savings and income made by the business, since such finances would otherwise have been used in the enterprise for expansion and growth. Though some of them do assist in providing services in the enterprise (or in the family), the financial obligations in supporting them usually exceeds the services they provide. Ahmad *et al.*, (2011) adds that women are overloaded with business and family responsibilities and may not have the time to join these beneficial associations and this automatically limits the women entrepreneurs' wings of exploration.

Families play an important role in female entrepreneurship; recent studies reveal two opposing pictures in this respect. In some cases, families are very supportive (Halkias, 2011) and play an important and supportive role in helping females to develop business ideas (Jamili, 2009). On the other hand, females consider families as a constraint. They receive no appreciation for their work and in most cases they are discouraged (Itani *et al.*, 2011). Sometimes, this feeling of being discouraged also persuades women to think about self-employment in order to prove themselves (Itani *et al.*, 2011). Those females who

come from an entrepreneurial background - either one or both of their parents is or has been self-employed - are very confident in their business approach (Mordi *et al.*, 2010).

There is also a perception about females being only housekeepers/homemakers (Itani *et al.*, 2011); such perceptions coupled with family responsibilities are big constraints. The support of the husband in fulfilling family responsibilities can be extremely helpful for these females. The need to complete all household work without any assistance from other family members leaves less working hours for these females, especially in rural areas. Large family size further exacerbates this issue (Tanbunan, 2009) and living in a joint (as opposed to a nuclear) family system may mean additional responsibility without additional assistance, although this is not always the case.

2.6 Levels of education

Empirical evidence suggests financial literacy's positive impact on financial behavior and financial status in a number of behavioral domains. Financially-literate individuals do better at budgeting, saving money, and controlling spending, handling mortgage and other debt (Lusardi and Tufano *et al.*; 2009), participating in financial markets, planning for retirement and ultimately, successfully accumulating wealth (Stango and Zinman, 2009).

Functional illiteracy means a person may be able to read and write simple words, but cannot apply these skills to tasks such as reading a medicine label, balancing a chequebook, or filling out a job application. Shockingly, more than 796 million people in the world cannot read and write. About 67 million children do not have access to primary school education and another 72 million miss out on secondary school education. The cost to business in lost productivity and profitability due to poor literacy and numeracy includes; the cost of fixing incorrect orders or processing refunds, Customers lost due to poor communication, Difficulty and cost of finding adequately skilled staff, Resolving

internal problems and issues arising from miscommunication or misunderstandings. (World literacy final report, April 2012).

Another possible explanation for gender differences in financial literacy relates to differences in opportunity for exposure to financial products and the opportunity to learn by doing. In the household context, a primary reason for this could be intra-household specialisation. Depending on cultural and societal norms, men may hold primary or exclusive responsibility for certain aspects of financial decision making. Other barriers to women's participation in household financial matters include explicit and implicit barriers to working outside the home, accessing credit or holding property. Even in a more developed country setting, such as the United States, within most married households, men are usually the financial managers (Hsu, 2011). Although work by Fonseca, Mullen et al. (2010) find that relative levels of numeracy and formal education are the underlying determinant of who makes financial decisions, Hsu (2011) finds that intra-household specialisation still plays a role. Hsu shows that some variation can be explained as a strategic response to incentives over the life cycle, since women's self-assessed and measured financial literacy increases in anticipation of widowhood, as does their seeking out of financial information. Other evidence shows that divorced women have less financial knowledge as compared to those who were never married (Zissimopoulos, Karney et al., 2008).

Women's learning is also potentially more responsive to the social environment. In a developing country context, this may mean that women's ability to learn is embedded within a social network. For instance, in rural Paraguay, a woman's social network is found to affect her demand for financial capital – female demand for finance rises with the proportion of social ties to other capital-seeking women (Fletschner and Carter, 2008).

Lower education levels puts women entrepreneurs in Kenya at a disadvantage compared to men. While gender gap in primary education in Kenya has decreased in recent years,

the gap remains high at secondary and tertiary education levels. Lower education does not emphasize entrepreneurship skills. It decreases the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth. In education, preference is given to boys, thus the educational level of most women entrepreneurs is very low, creating a barrier for them in accessing training and other business developments services (Women Entrepreneurs in Kenya, 2008).

Lack of sufficient education and training is therefore a major impediment to micro-enterprise success. Culturally, and especially in the rural setting, the girl child was not given equal opportunity to study like the boys; hence they had limited education and training (if any) which makes them less well equipped to manage a business (Commonwealth Secretariat, 2002). Namusonge (2006) noted that entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment. Despite the presence of Business Development services in Kenya not many women entrepreneurs use it because of cost, access, necessity, or availability (Steven et al, 2005).

2.7 Theoretical framework

This study will adopt two : Three sigma of business theory model and women empowerment theory.

2.7.1 Three sigma of business theory model

The model was propounded by Peter Drucker,(2002), as the theory of business. It states that many businesses fail because business owners make assumptions about society, markets, customers, products, technology, their mission etc as the basis of their business decisions yet they have become obsolete or invalid. This is due to the changing business environment thus businesses should relook at their business strategies constantly and change them depending on the business environment. Many of the core beliefs and assumptions underlying strategic decisions are implied rather than explicitly stated. Implied beliefs and assumptions are subject to individual interpretation which

makes them vulnerable to inconsistency and obsolescence. This model is designed to help identify these implicit and explicit assumptions so they can be examined. This model is constructed in four parts and each part contains one or more modules. Strategic thinking is intellectually intense and requires time to think and reflect. It is a process that is best accomplished over a period of time. The structure of this model provides control over this process by breaking it into manageable segments which can be planned and scheduled to accommodate time for quality thinking and reflecting.

The modules are the strategic and systems thinking building blocks of this model. Each one focuses on a specific strategic area and provides a process for discovering the critical implicit and explicit assumptions made and to examine the impact of these assumptions on the organization. System thinking looks for patterns of behavior. This requires an historical perspective. These modules provide a framework to examine past and present decisions and their underlying assumptions to see if any patterns or inconsistencies in thinking are apparent.

This model also provides space to record these observations so they can be made explicit and examined. The "Past" column provides a place to record assumptions from previous defining periods in the company's history if they are relevant. The "Current" column should reflect the decisions and assumptions underlying your organization's current operations. The "Future" column is where you should record and make explicit the decisions and assumptions which will drive your organization's future. This "Future" column should not be completed until the current assumptions have been examined and evaluated. The assumptions discovered using this model should be compared with your current realities to evaluate their impact on current and future performance. Update any invalid or obsolete assumptions and re-examine your goals and strategies using these updated assumptions. The "Future" column can be used to record this information. Discovering the assumptions behind fundamental strategic decisions and organizational focus is challenging and time consuming. It requires system thinking skills to identify the factors influencing these decisions and the assumptions upon which they are based.

Access to capital, Market availability and levels of education are captured in this theory as the interplay between, markets, customers, products, technology revolve around the three variables under study. Capital will be required to enhance products and technology, markets will have to be available for the vendor to sell and education levels will be required for one to make appropriate decisions.

2.7.2 Women empowerment framework

This study will be guided by women's empowerment framework which was first developed by Sara Longwe (by enabling women to achieve equal control over the factors of production and participate equally in the development process (International Labour Organization, 1998).

Longwe argues that poverty arises not from lack of productivity but from oppression and exploitation. She conceptualizes five progressive levels of equality, arranged in hierarchical order, with each higher level denoting a higher level of empowerment (International Labour Organization, 1998). These are the basis to assess the extent of women's empowerment in any area of social or economic life. The levels of equality are:

Control: Using the participation of women in the decision-making process to achieve balance of control between men and women over the factors of production, without one in a position of dominance. When women control micro enterprises they are able to improve their lives thus improving their families' lives. **Participation:** Pertains to women's equal participation in the decision-making process, policy-making, planning and administration. In development projects, it includes involvement in needs assessment, project design, implementation and evaluation. Women are able to make their own decisions on whether to take loan or not. They are able to decide what to produce and where to market at any particular time.

Conscientisation: Pertains to an understanding of the difference between sex roles and gender roles and the belief that gender relations and the gender division of labour should

be fair and agreeable to both sides, and not based on the domination of one over the other. The gender division of labour is altered when women become entrepreneurs-economic empowerment increases their level of conscientisation that they can actually make it.

Access: Pertains to women's access to factors of production land, labour, credit, training, marketing facilities, and all publicly available services and benefits on an equal basis with men. Equality of access is obtained by securing equality of opportunity through legal reform to remove discriminatory provisions. Welfare: Pertains to level of material welfare of women, relative to men, with respect to food supply, income and medical care, without reference to whether women are themselves the active creators and producers of their material needs.

Longwe also distinguishes between:

Women's issues which pertain to equality with men in any social or economic role and involving any of the levels of equality and women's concerns which pertain to women's traditional and subordinate, sex-stereotyped gender roles. However, the Women's Empowerment Framework is not designed to explain how or why a program works, exploring the contributing or causal factors that led to the progression from one level of impact to the next. Focus is only placed on three levels of equality, e.g., positive, neutral, or negative impact, which limits important qualitative assessments of "success" that provide valuable information critical for program improvement. The assumption that there is a hierarchy of gender equality levels suggests a somewhat more linear change trajectory than is often found in practice.

The study hopes to show that though the focus is on women entrepreneurs, their work is beneficial to the community including the men as opposed to the view that it is only the women who benefit from the assumptions.

Constructionism methodology was used in the choice of theory used. One of the assumptions is that the world is without meaning prior to one's experience of it. Meaning is not created but constructed in an interconnectedness of objectivity and subjectivity.

From the paradigm of constructivism the individual is an active, resourceful and reflective participant in the construction of meaning.

Women have been confined to roles as determined by the society hence role conflict will arise if the woman deviates from the norm such as venturing into business instead of taking care of the family. This theory advocates for enabling women to achieve equal control over the factors of production and participate equally in the development process

2.8 Conceptual Framework

This section describes the conceptual framework used in the study showing the relationship between the variables.

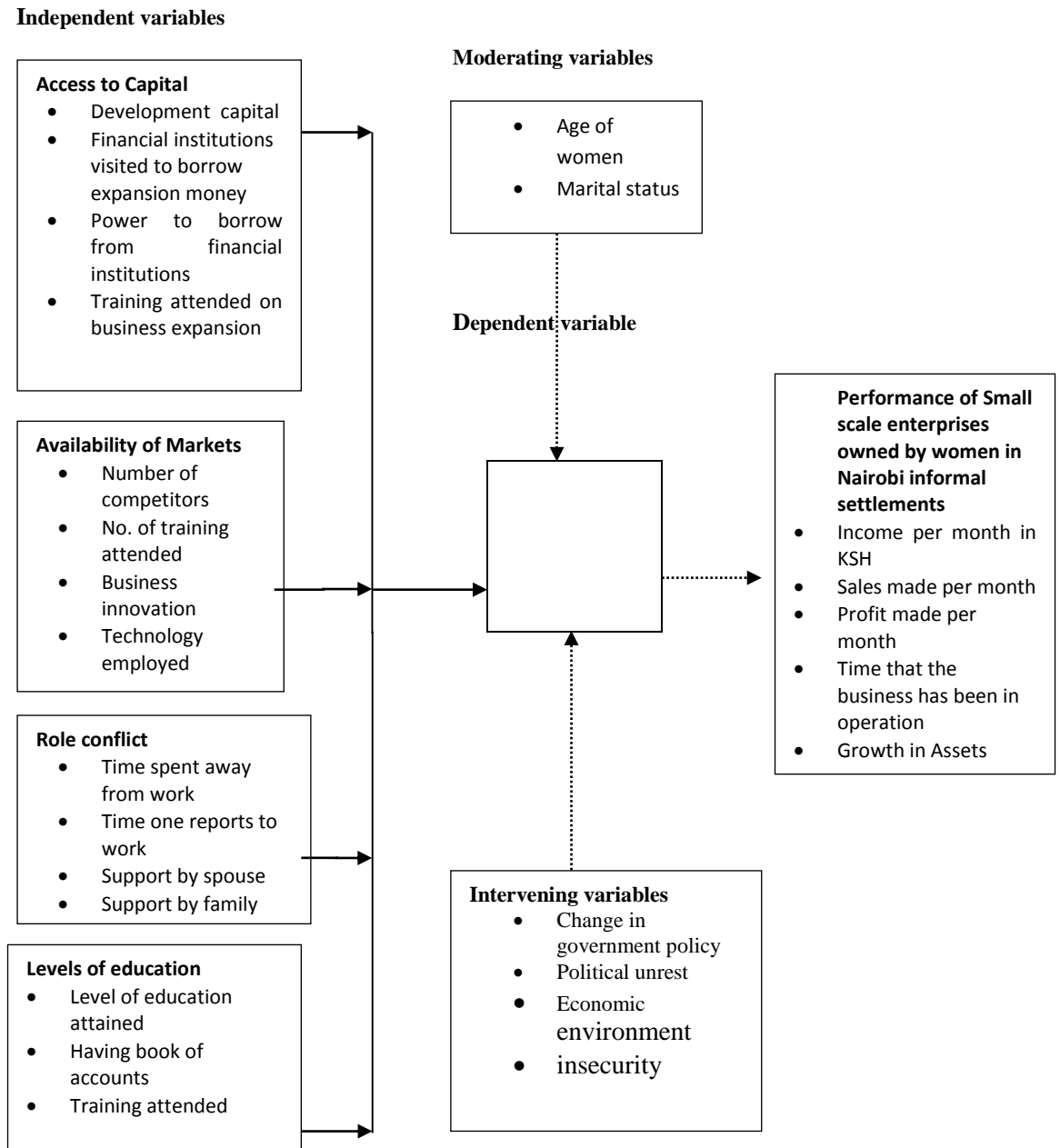


Figure 1 conceptual framework for Determinants of Performance of small scale enterprises

The conceptual framework presents the variables in the study which influence performance of small scale enterprises owned by women in informal settlements, these variables are the independent variables and they include: access to Capital, availability of Markets, Role conflict and levels of education. The dependant variable in the study is performance of small scale enterprises owned by women in informal settlements. Intervening variables are change in government policy, political unrest, economic environment and insecurity. Moderating variables are age of women and marital status.

2.9 Gaps in literature review

This section highlights the gaps in literature review in this study.

Table 2:1 Gaps in literature review table

Variable	Researcher (Year)	Title of the Study	Findings	Gap in knowledge
Access to Capital	Modigliani and Miller (1958)	Cost of Capital, Corporation and the Theory of Investment	Small firms cannot exploit economies of scale in the same way as large firms as they face more financial constraints	The study aims to provide additional knowledge valuable to policy makers so as to set policies that will enable women entrepreneurs to access capital
	International labour organization (2008)	Factors affecting women entrepreneurs in micro and small enterprises in Kenya	Government of Kenya has made available low interest loans for women entrepreneurs through banks but the entrepreneurs feel the interest rates are still high	
	Odero (2010)	Overcoming the Odds: Strategies Used by Women Entrepreneurs in Milk Microenterprises in Kenya	As entrepreneurs, however, it is widely acknowledged that women in Kenya as in most African countries have limited access to credit The greatest barrier facing women entrepreneurs in Kenya is access to finance is an issue because of	
	Athane (2011)	Challenges facing		

		Women Owned Small and Micro Enterprises in Kenya	requirements of collateral	
Availability of markets	Kenya rural enterprise program and Central bureau of statistics (2009)	Enhancing Market access in Kenyan SMEs using ICT	Women in this sector are concentrated in the informal, micro, low growth, low profit areas, where competition is Intense	The study aims to provide additional knowledge valuable to government so as to encourage diversification and innovation for women in entrepreneurship in addition to accessing capital
	Raj (2007)	Problems Faced by Women Entrepreneurs	Poor location of unit, tough competition from larger and established units, lack of transport facility, lack of rest and sleep and non-availability of raw material were the significant problems faced by entrepreneurs	
	Itani (2011) Roomi (2009)	Gender Specific Barriers to Female Entrepreneurs in Pakistan	Female entrepreneurs also lack managerial skills. These females have less knowledge about market conditions and lack basic training to run a business venture	
Role Conflict	Rajadhyaksha and Velgach (2009)	Combining Work and Family: Experiential and Empirical Lessons from Project	Found that women experienced significantly higher family interference	The study aims to provide additional knowledge valuable to families and social networks perform their roles both at home and work of women

		3535	with work as compared to men	entrepreneurs so that they can be more supportive
	(Jennings and McDougald (2007)	Work-Family Interface Experiences and Coping Strategies	Another more recently frequent mentioned challenge is the combination of the business with family responsibilities, which may undermine the success of the business	
	Tanbunan (2009)	Management Style and innovation in women owned enterprises	The need to complete all household work without any assistance from other family members leaves less working hours for these females,	
Levels of Education	Women Entrepreneurs in Kenya (2008)	Challenges faced by women in Small-scale Enterprises	Lack of sufficient education and training is therefore a major impediment to micro-enterprise success	The study aims to provide additional knowledge valuable to government and policy makers so as to set policies that will enable them formulate policies that can encourage citizens to be literate as this will ensure records of the business are kept.

	Commonwealth Secretariat (2002)	Boys' Underachievement in Education	Culturally, and especially in the rural setting, the girl child was not given equal opportunity to study like the boys; hence they had limited education and training (if any) which makes them less well equipped to manage a business	
	Namusonge (2006)	Supporting Entrepreneurship Education in East Africa	Noted that entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment.	

	Steven (2005)	Support For Growth- Oriented Women Entrepreneurs in Kenya	Despite the presence of Business Development services in Kenya not many women entrepreneurs use it because of cost, access, necessity, or availability	
--	------------------	--	---	--

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology that was adopted during the study. It describes: cross sectional descriptive survey research design, target population, sampling procedure and sample size, research instruments, pilot testing, validity of instruments and reliability of instruments. The methods of data collection and methods of data analysis techniques. Ethical considerations and Operationalization of variables table.

3.2 Research Design

This study employed the cross sectional descriptive survey design. Cross-sectional designs involves the collection of data at one point in time. Cross-sectional studies aim to provide data on the entire population and allow the researcher to collect numerous information on the subjects of study at once (Bryman, 2012). This research design was better than others because one can record data without manipulating it and will allow the researcher to compare many variables at the same time.

3.3 Target Population

According to the mathare zonal plan, (2012), Mathare is an informal settlement that is home to nearly 200,000 people confronting a range of challenges. It is one of the largest slums in Nairobi, characterized by unsafe and overcrowded housing, elevated exposure to environmental hazards, high prevalence of communicable diseases, and a lack of access to essential services, such as sanitation, water and electricity. Yet residents are also resilient and entrepreneurial, politically organized and have a range of skills that allow them to survive in one of the most difficult urban environments in East Africa. The area is comprised of 13 villages: Mashimoni, Mabatini, Village No. 10, Village 2, Kosovo,

3A, 3B, 3C, 4A, 4B, Gitathuru, Kiamutisya, and Kwa Kariuki. According to the 2009 Kenyan Census report, Mathare has 80,309 residents in the 13 Mathare villages. However, using our household enumeration and other data, our team estimated the population at 188,183 people. 87% of residents are casual laborers or have informal businesses and 61% work within Mathare. Due to homogeneity in characteristics, the study settled on Mabatini as the area of study which was used to represent the whole of mathare.

In this study, the target population consists of women who own enterprises in Mabatini village, Mathare. The businesses that were targeted included food kiosks, tailoring, vegetable vendors and shop keepers. The SMEs must be keeping business records as criteria for participation in the study

Table 3.1 Data for Population Number of Women Entrepreneurs

Category	Population Size
Food Kiosks	45
Vegetable Vendors	50
Shopkeepers	50
Tailors	50
Total	195

3.4 Sample size and Sampling Procedures

This section describes the sample size and sampling procedure that was used in the study.

3.4.1 Sample size

This study used a sample size of 172 derived from the population of 195 using the Krejcie and Morgan table (1970:608). Refer to appendix v Pg 89. The businesses that were targeted included, food kiosks, tailoring, vegetable vendors and shop keepers.

3.4.2 Sampling procedure

Purposive sampling procedures was used to select the respondents from the population for this research study. Stratified sampling was also be used to sample the women running food kiosks, tailoring, vegetable vendors and shop keepers. Therefore the researcher drew a sample from the sample data as follows.

Table 3.2 Data for Sample Number of Women Entrepreneurs

Category	Sample Size
Food Kiosks	40
Vegetable Vendors	44
Shopkeepers	44
Tailors	44
Total	172

3.5 Research instrument

This study employed questionnaires as the instrument for data collection. Both open-ended and closed-ended items were used. The questionnaire to be used was divided into four thematic areas in regard to the variables under study

Section A solicited general information from the respondent. This included age, marital status, number of children and family structure. Section B focused on access to capital and was used to collect data that can inform on its influence in performance of the business. This included initial capital, source of capital, income per month and whether they have accessed credit to improve their businesses. Section C focused on availability of markets showed how the business was fairing in comparison to competitors, whether entrepreneur has attended any training on marketing, what competitive edge they have over their competitors and how they would improve on their businesses. Section D

focused on role conflict. It showed how family can support business, how operating hours affect business income, who is the decision maker and whether they use their income for family instead of re investing back. Section E focused on levels of education and showed how education attained affected the business, whether the entrepreneur kept records, how they handled clients in terms of retention and know whether they were able to make profits or not and whether it contributed to the performance of small scale enterprises.

3.5.1 Pilot testing

Pilot testing involved administering the questionnaire to a small group of persons with the same characteristics as the target population but in a different location. This was be done by formulating a questionnaire based on the four variables under study that is access to capital , availability of markets, role conflict and levels of education. The researcher then assessed the wording of the questionnaire to avoid instances of double barreled, long or negative questions and ensure a flow. An informal testing was done between the researcher and assistants to anticipate answers and that will help identify difficult questions. A panel of three experts was consulted to review the questionnaire. The questionnaires were then be administered to rate the logical flow of questions, whether the response rate after first contact meets expectations, time taken for responses to each question, length of questionnaire, identify instances of confusion, pattern of answers, possible answer categories for coding open ended questions. A pre test of the questionnaire was done to a sample of 18 women that are not part of the sample who were chosen randomly based on 10% of the sample size, (Baker 1994), coded and analyzed. Questions that were not providing useful data were discarded and the final revision of the questions was made.

3.5.2 Validity of instruments

The researcher ensured validity by assessing content-related: evidence that the items and domains of an instrument were appropriate and comprehensive relative to its intended

measurement concept(s), population and use; and construct-related: evidence that relationships among items, domains, and concepts conform to *a priori* hypotheses concerning logical relationships that should exist with other measures or characteristics. The instrument for this study i.e. the questionnaire was validated through application of content validity determined by an expert judgment. It was expected that content validity of the items in the questionnaire was ensured following the researchers consultation with peers and supervisors from the department of Extra mural studies. The second way in which the instruments were validated was through pretesting and the responses from the respondents were used to improve the items. It was hoped that draft instruments for data collection were thus validated.

3.5.3. Reliability of instruments

Test- retest method of estimating reliability was used to determine the reliability. A quantitative analysis of the inquiry was performed using the SPSS 11.5 computer program to statistically test the reliability of the research instrument. In the analysis, the sum variables were used, because the reliability is very high compared to a single variable (Bryman & Cramer, 2001). A correlation coefficient was worked out using Spearman's Product Moment Correlation. A correlation co-efficient of 0.91 showed a strong reliability of the research instrument. There was a 96% return rate on the questionnaires.

3.6 Data collection procedure

Before initiation of the actual survey, two research assistants were identified, trained on ethical methods of data collection. Together with the researcher they assisted in the in administration of the questionnaires. This involved approaching women entrepreneurs in Mathare and seeking consent from them to answer the questionnaire after explaining the reason for data collection. Purposive sampling was used to identify respondents. Stratified sampling was used to identify respondents with different businesses and proportionate sampling was used to ensure different enterprises are identified and included. Questionnaires were administered to the women at their business premises and

collected after three days. A permit was sought from the national commission for science, technology and innovation before embarking on the research.

3.7 Data Analysis techniques

Data was checked for completeness, accuracy, errors in responses, omissions and other inconsistencies. The data and information on the questionnaire were coded using numerals in order to put them in a limited number of categories and ensure that the information provided by the respondents is captured. The researcher used tables, frequency distribution and a descriptive analysis for data presentation. The researcher used descriptive and multi variate and Regression Analysis. This generated inferential statistics correlation coefficient and regression analysis that helped in determining the relationship between the dependent and independent variables.

3.8 Ethical considerations

Blanche et al (2009) assert that the purpose of research ethics is to protect the welfare of the research participants. The researcher obtained a letter from the University of Nairobi and attach to the interview guide. Consent was sought from participants for them to participate voluntarily. They were also be informed that the findings would only be used for academic purposes. Informed consent was sought from all the participants and confidentiality and anonymity was maintained during this research.

Table 3.1 Operationalization of variables

Research Objective	Independent variable	Indicators	Measurement	Measurement scale	Data analysis techniques
To examine how access to capital determines performance of small scale enterprises owned by women in informal settlements.	Access to Capital	<ul style="list-style-type: none"> • Development capital • Financial institutions visited to borrow expansion money • Power to borrow from financial institutions • Training attended on business expansion 	Ksh used to expand the business	Ordinal	Descriptive
To establish how availability of markets determines performance of small scale enterprises owned by women in informal settlements.	Availability of Markets	<ul style="list-style-type: none"> • Number of competitors • No. of training attended • Business innovation • Technology employed 	Number of sales at the end of the day	Ordinal	Descriptive

To find out if role conflict determines performance of small scale enterprises owned by women in informal settlements.	Role conflict	<ul style="list-style-type: none"> • Time spent away from work • Time one reports to work • Support by spouse • Support by family 	Hours spent away from work Estimated loss of income due to opening business late	Ordinal	Descriptive
To assess whether levels of education determine performance of small scale enterprises run by women in informal settlements.	Levels of Education		Records kept	Ordinal	Descriptive

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the study results which have been analyzed based on the thematic and sub-thematic areas in line with the study objectives: questionnaire return rate, demographic characteristics of the respondents, access to capital and performance of small scale enterprises, availability of markets and performance of small scale enterprises, role conflict and performance of small scale enterprises and levels of education and performance of small scale enterprises.

4.2 Questionnaire Return Rate

The study issued out 172 questionnaires for the respondents to fill out of which 168 were duly filled and returned. This is illustrated in table 4.1

Table 4.1 Questionnaire Return Rate

Response	Frequency	Percentage
Responded	168	98
Did not respond	4	2
Total	172	100

Table 4.1 shows that out of 172 questionnaires issued, 168, (98%) were duly filled and returned and 4, (2%) were not returned. Based on the theory of questionnaire return rate propounded by Nachmias and Nachmias, (1976), who says that questionnaire return rate of 75% and above is adequate for social science research of this nature, and given that the return rate for my study was 98% which is over and above the required rate, I continued with the study.

4.3 Demographic characteristics of the Respondents

The study sought to establish the demographic characteristics of the Respondents in the area such as type of business operated by women, age, marital status. This information was important because these variables are likely to influence the performance of the business differently so as to understand the business. It was therefore important to get demographic characteristics. The results are presented in table 4.2

Table 4.2 Demographic characteristics of the Respondents

Variables	Frequency(f)	Percentage(%)
Type of business		
Food Kiosks	45	26.8
Vegetable Vendors	37	22
Shopkeepers	43	25.6
Tailors	43	25.6
Total	168	100
Age of Respondents		
Below 20	2	1.2
20-30	80	47.6
31-40	54	32.1
41-50	24	14.3
51-60	6	3.6
Over 60	2	1.2
Total	168	100

Marital status

Married	77	45.8
Single	58	34.5
Seperated	9	5.4
Divorced	8	4.8
Widowed	16	9.5
Total	168	100

According to table 4.2, on the type of business, out of 168 respondents who participated in the study, the total number of Vegetable Vendor respondents were 37(22%) food kiosk 45(26.8%), shop keepers were 43(25.6%), and tailors were also 43(25.6%). From the study it showed that women entrepreneurs were involved in all types of businesses that do not need much start up capital and equipment. These businesses are easier to establish given their status due to lack of access to capital. Food vendors were more. This could be because there is quicker income because there are a large number of people who will eat. This was followed by shop keepers and tailors. These businesses are also lucrative with goods and services that are fast moving. Vegetable vendors were the least. This could be attributed to the perishability of the goods thus fewer traders were involved in this business.

On age, 2(1.2%) of the respondents were of the age bracket below 20 years, 80 (47.6%) were between the ages of 20-30 years, 54 (32.1%) were between age brackets of 31-40, 24 (14.3%) were of between ages 41-50 years, 6 (3.6%) were of between 51-60 years while another 2 (1.2%) were above 60 years. From the findings, majority of the respondents were aged between 20-40 years. This age bracket represents a large number of women who would be in formal employment but are now involved in small businesses. This could be an indicator that finding a job has become difficult and therefore most young women go to business to survive.

On marital status, most of the respondents were married 77 (45.8%), single 58 (34.5%), while 9 (5.4%) separated, 8 (4.8%) divorced and 16 (9.5%) widowed. From the study it can be concluded that engaging in business is important for married women as well as other women who were single, separated, divorced or widowed, as a primary source of

income. This would be to supplement other family income to meet the basic needs of the family.

4.4 Accessibility of Capital and performance of SSEs

The first objective of the study was to achieve was how accessibility of capital determines performance of small scale enterprises. Areas covered were initial capital, source of start-up funding, how accessible capital was to small scale enterprises, income per week and how borrowing improves small scale enterprises. These are further discussed in the following sub thematic areas.

4.4.1 Initial Capital of the business

The study was interested in understanding the amount of initial capital that was used to starting up the business, because this determines the size of the business and its operations. Therefore the respondents were asked to state their initial capital. The results is presented in table 4.3

Table 4.3 Initial capital of the business

Initial capital	Frequency	Percentage
KSH 0-4999	57	33.9
KSH 5000-9999	49	29.2
KSH 10,000-14,999	15	8.9
KSH over 15,000	47	28
Total	168	100

Out of the 168 respondents who participated in the study, 57 (33.9%) used KSH 0-4999 as the initial capital, 45 (29.2%) used KSH 5000-9999, 15 (8.9%) used KSH 10000-14999 and 47 (28%) used over KSH 15000. Majority of the respondents started the businesses with between KSH 0-4999. This shows that 63.1% of the respondents started their businesses with less than 10,000 KSH. This has an implication on the performance

of the business as the amount cannot enable one grow or expand the business hence may lead to the failure of the business as this may be their only source of income.

4.4.2 Source of start-up funding

The study sought to find out the source of start-up funding for the business. This would greatly influence the performance of a business because it would determine the size of the business in terms of stocks or customers reached. The findings are presented in the table 4.4

Table 4.4. Source of start-up funding

Source of start-up funding	Frequency	Percentage
Personal savings	83	49.4
Household	18	10.7
Borrowed from relatives, Friends, money lenders	16	9.5
Assistance from friends	15	8.9
Inheritance	10	6
Assistance from NGOs	8	4.8
Micro-finance institutions	10	6
Banks	5	2.9
Non-response	3	1.8
Total	168	100

From table 4.4.2, 83 (49.4%) got the initial start-up capital from personal savings, 18 (10.6%) from household, 16 (9.5%) borrowed from relatives or friends/money lenders, 10 (6%) from micro-finance institutions, 15 (8.9%) assisted by friends, 10 (6%) inherited, 8 (4.8%) got assistance from the NGOs, 5 (2.9%) from banks. 83 (89.3%) of the respondents got their start-up capital from personal savings. This could be an indicator that the traders were once employed hence the ability to save and once they were out of employment, there was a need to earn some income hence started SSEs. 67 (40%) got

their start up funding from households, friends and relatives, inheritance, NGOs, this implies that as much as credit is available, majority still cannot afford interest rates charged by banks and micro finance institutions, therefore, there is need for the government to establish if the women’s enterprise fund and the youth fund are accessible to small scale enterprises.

4.4.3 Accessibility of capital

The study was interested in finding out how easy it was for the traders to access credit. This is because it would determine the type of business one set up and possible future expansion. The findings are presented in table 4.5

Table 4.5 Accessibility of capital

Responses	Frequency	Percentage
Easy	20	11.9
Not easy	93	55.4
Difficult	38	22.6
Very difficult	10	6
Not answered	7	4.2
Total	168	100

On access to capital, 20 (11.9%) of the respondents indicated access to capital is easy, 93 (55.4%) felt that access to capital is not easy, 38 (22.6%) felt access to capital is difficult while 10 (6%) indicated that access to capital is very difficult. From the findings, only 20 (11.9%) indicated that access to capital was easy. 141, (83.9%) of the respondents felt that access to capital is not easy. Businesses can therefore not grow because access to capital is not easy.

4.4.4 Income per week

The study was interested in finding out how much the traders were making in income per week. This would determine whether a trader would save up enough to sustain the

business or if it was too little hence leading to the failure of the business. The findings are presented in table 4.6

Table 4.6 Income per week

Income per week	Frequency	Percentage
Below 500	28	16.7
KSH 500-1499	74	44
KSH 1500-2499	38	22.6
Above 2500	27	16.1
Not answered	1	0.6
Total	168	100

on income per week, 28 (16.7%) of the respondents said that they earned below KSH 500 per week, 74 (44%) were earning KSH 500-1499 per week, 38 (22.6%) were earning KSH 1500-2499 per week and 27 (16.1%) were earning above KSH 2500 per week. From findings 102 (60.7%) of the respondents were earning less than 1500 KSH per week. According to international poverty line indicators, Most traders are barely making 1.90 dollars to enable them meet basic needs hence a trader would prioritize their basic needs as opposed to their business thus affecting its performance. The traders should therefore be engaged in how they can increase their income to enable their businesses sustain themselves.

4.4.5 Borrowing will improve business

The study also sought to seek the opinion of traders on whether borrowing from MFIs would help in the performance of the business. The findings are presented in table 4.7

Table 4.7 Borrowing will improve Business

Responses	Frequency	Percentage
Strongly agree	63	37.5
Agree	79	47
Disagree	19	11.3
Strongly disagree	6	3.6
No response	1	0.6
Total	168	100

Table 4.7 shows that, 63 (37.5%) of the respondents strongly agreed that borrowing money will improve business, 79 (47%) agree, 19 (11.3%) disagreed while 6 (3.6%) strongly disagreed. 142 (84.5%) of the traders agree that borrowing money helps in improving business. The government should therefore make funding accessible so as to create opportunities for job creation thus improving domestic incomes to the families.

4.5 Availability of markets

The second objective of the study to achieve was how availability of markets determines performance of small scale enterprises. Areas covered were entrepreneurs in a similar venture, attending training on marketing, use of technology to market products/services. These are further discussed in the following sub thematic areas.

4.5.1 Influence of entrepreneurs in a similar business venture

The study was interested in finding out what the traders felt about other competitors engaged in a similar venture. This is because if competition was high, the trader could be losing out to other traders. The findings are presented in table 4.8

Table 4.8 Influence of Entrepreneurs in similar business venture

Responses	Frequency	Percentage
To a great extent	69	41.1
Somewhat	55	32.7
very little	20	11.9
Not at all	22	13.1
Not answered	2	1.2
Total	168	100

Out of the 168 respondents who participated in the study, 69 (41.1%) of respondents felt that having other entrepreneurs in a similar business venture affects business to great extent, 55 (32.7%) said somewhat, 20 (11.9%) said very little while 22 (13.1%) said not at all. From the finding it is therefore clear that having entrepreneurs of similar business affects business to great extent. The reasons that 124 (73%) Of the traders felt that having entrepreneurs of similar business affects business could be because of Customers services, Lower prices , Disagreements, customers loyalty. Traders should therefore be taught how to handle customers in view of the discussed challenges if the business is expected to perform. These could be through use of mentors.

4.5.2 Attending training is important for the business

The study also sought to find out from the traders if they felt that attending training would be important for the business. This would assist the traders know how to market their products or services and how handle clients and retain them. The findings are presented in the table4.9

Table 4.9 Attending training is important for business

Responses	Frequency	Percentage
Important	145	86.3
Moderately important	18	10.7
of little importance	4	2.4
Unimportant	0	0
Not Answered	1	0.6
Total	168	100

From table 4.9, 145 (86.3%) responded that marketing is important, 18 (10.7%) said it is moderately important, 4 (2.4%) said it is of little importance and no one said it is unimportant. From the results a big majority 163 (97%) felt that training is important for the business. The government should therefore organize for trainings for owners of SSEs on marketing to enable them run their businesses.

4.5.3 Use of technology to market products/services

The study was interested in finding out the traders thought about incorporating technology in their business. This is because technology would assist the trader reach a wider market hence improving the performance of the business. The findings are presented in table 4.10

Table 4.10 Use of technology to market products/services

Responses	Frequency	Percentage
Usually true	61	36.3
Occasionally true	70	41.7
Usually not true	19	11.3
Almost never true	7	4.2
Not Answered	11	6.5
Total	168	100

On use of technology to market products or services, 61 (36.3%) responded that it is usually true that use of technology to market products or services to customers would

greatly improve business, 70 (41.7%) said it is occasionally true, 19 (11.3%) said it is usually not true, and 7 (4.2%) said it is almost never true. 131(78%) of the traders felt that use of technology would improve their business. The government should therefore partner or encourage innovators to come up with applications that would assist traders market their goods and services for example with the use of their mobile phones or get information on how to market.

4.5.4 Role conflict

The third objective of the study to achieve was how role conflict affects performance of small scale enterprises. Areas covered were having a family affects the business, who takes care of the family, reporting time to work, spousal or family support, decision maker, how it affects the business and use of income for family use . These are further discussed in the following sub thematic areas.

4.6.1 Family affects business

The study was interested in finding out if the trader having a family affected the business. This is because a trader could be sacrificing time meant for the business in taking care of the family. The respondents were therefore asked if having a family affects their business. The results were presented in table 4.11

Table 4.11 Family affects business

Responses	Frequency	Percentage
To a great extent	33	19.6
Somewhat	60	35.7
very little	26	15.5
Not at all	41	24.4
Not Answered	8	4.8
Total	168	100

Out of the 168 respondents who participated in the study, 33 (19.6%) of the respondents responded that having family affects business to a great extent, 60 (35.7%) responded somewhat, 26 (15.5%) responded very little while 41 (24.4%) responded not at all. 93

(55.4%) of the respondents felt that having a family affected the performance of the business. The business owner should therefore explain to the rest of the family the importance of the business as a means of income so that they can support the business.

4.6.2 Who takes care of family while at work

The study was interested in finding out who took care of the family while the trader was at work. This could affect the performance of the business due to time spent away from work as some duties cannot be delegated. The respondents were therefore asked who took care of the family while they were at work. The findings are represented in table 4.12

Table 4.12 Who takes care of family while at work

Responses	Frequency	Percentage
Self	80	47.6
Spouse	34	20.2
Relatives	21	12.5
Not Answered	33	19.6
Total	168	100

On who takes care of the family while the trader is at work, 80 (47.6%) of the respondents responded that their families were being taken care of by self while at work, 34 (20.2%) by spouse, 21 (12.5%) by relatives. Majority looks after family as well as carries on with business. This is 80 (47.6%) of the respondents solely take care of their families could further explain why the respondents felt that having a family affects the business due to time constraint. The business owners could therefore involve other family members in running the business or taking care of the family.

4.6.3 Work reporting time

The study sought to know what time the traders reported to work. This could determine If the traders felt that having a family would affect the performance of the business because

if the reporting time coincided with time that other family members needed attention then the business would be affected. The findings of the study are presented in table 4.13

Table 4.13 Work reporting time

Responses	Frequency	Percentage
6am-7am	111	66.1
8am-9am	24	14.3
9am onwards	28	16.7
Not Answered	5	3
Total	168	100

Table 4.13 shows that, 111 (66.1%) of the respondents reported to work between 6am-7am, 24 (14.3%) reported between 8am-9am and 28 (16.7%) reported at 9am onwards. From the findings majority 111 (66.1%) reported to work between 6am and 7am. The trader should therefore involve her family so that she is not caught up by taking care of the family instead of attending to her business.

4.6.4 Spousal or family support affects business

The study was interested in finding out if spousal or family support affected the performance a business. This is because with support, a trader could focus more on the business hence improving its performance. The respondents were therefore asked if spousal or family support affects business. The findings are presented in table 4.14

Table 4.14 Spousal or family support affects business

Responses	Frequency	Percentage
To great extent	30	17.9
Somewhat	61	36.3
very little	19	11.3
Not at all	48	28.6
No response	10	5.9
Total	168	100

Table 4.14 shows that, 30 (17.9%) responded that spousal/family support affects business to great extent, 61 (36.3%) responded somewhat, 19 (11.3%) responded very little and 48 (28.6%) responded not at all. From the findings, 91 (54.2%) of the respondents felt that spousal, or family support affects business. The government should introduce programs that encourage entrepreneurship so that all will feel that they need to support businesses that have been established either by contributing time or ideas. This could be through school programmes amongst others.

4.6.5 Who makes decisions about business

The study sought to find out from the traders about who made decisions concerning the business. This is because decisions made about a business will determine if they will succeed or fail. The findings are presented in table 4.15

Table 4.15 Who makes decisions about business

Responses	Frequency	Percentage
Self	134	79.8
Spouse	26	15.5
Others	6	3.6
Not Answered	2	1.2
Total	168	100

On who makes decisions about business, 134 (78.9%) of the respondents made decisions by self, 26 (15.5%) said decisions are made by spouse and 6 (3.6%) said their decisions are by others. Majority of the respondents 134 (79.8%) were making business decisions alone. The government could assist traders by introducing mentorship programs or trainings that would assist the traders make informed decisions.

4.6.6 Decisions made affect business

The study was interested in finding out if the traders thought decisions made about the business affected the business. A trader would have to make decisions about the direction the business is taking so as to expand it and this would also inform if they needed to get more finances thus ensuring the business was meeting its clients' needs. This would in turn affect its performance. The findings are presented in table 4.16

Table 4.16 Decisions made affects business

Responses	Frequency	Percentage
To great extent	37	22
Somewhat	38	22.6
very little	28	16.7
Not at all	52	31
Not Answered	13	7.7
Total	168	100

Table 4.16 shows that, 37 (22%) responded to great extent, 38 (22.6%) responded somewhat, 28 (16.7%) responded very little and 52 (31%) responded not at all to question whether decisions made by self, spouse or others affect business. 80 (47.7%) believed that this does not affect business at all because they were able to make decisions about their businesses without interference from their spouses or family and were probably satisfied with the performance of their businesses. The traders should therefore take a step to improve their decision making skills because entrepreneurship is offering opportunities for people to make a living thus improving domestic income in the country.

4.6.7 Use of business income affects business performance

The study was interested in finding out if the use of business income for family affected the business performance. This could affect the business because if all the money was used for family use then the trader would not have money to restock hence leading to the failure of the business. The findings were presented in table 4.17

Table 4.17 Use of business income affects business performance

Responses	Frequency	Percentage
Strongly agree	76	45.2
Agree	69	41.1
Disagree	11	6.5
Strongly disagree	4	2.4
No response	8	4.8
Total	168	100

On whether use of business income affects business performance, 76 (45.2%) strongly agreed that using business income for family use affects business performance, 69 (41.1%) agreed, 11 (6.5%) disagreed, while 4 (2.4%) strongly disagreed. 145 (86.3%) of the respondents felt that use of business income affects business performance. The traders should therefore be trained on ways of growing their businesses so that their income is enough to sustain their families and have enough left to be ploughed back to their businesses.

4.6 Level of education

The fourth objective of the study to achieve was how level of education affects performance of small scale enterprises. Areas covered were levels of highest education, having books of accounts, whether the books assisted track whether the business was

making profits or losses and whether attending a course on entrepreneurship was important or not. These are further discussed in the following sub thematic areas.

4.7.1 Highest level of education

The study was interested in finding out the level of education of the traders. This can affect the performance of the business because if the trader is not literate then they will not know if they are making losses or profit hence a business could fail. The findings have been presented in table 4.18

Table 4.18 Highest level of Education

Responses	Frequency	Percentage
Never attended formal education	7	4.2
Primary education	37	22
O-level secondary education	45	26.8
A-level secondary school	23	13.7
Post-secondary certificate	27	16.1
Ordinary diploma	8	4.8
Advanced diploma	9	5.4
Postgraduate qualification	6	3.6
Did not Answer	6	3.6
Total	168	100

Out of the 168 respondents who participated in the study, 7 (4.2%) never attended formal education, 37 (22%) had primary education, 45 (26.8%) had O-level secondary education, 23 (13.7%) had A-level secondary school, 27 (16.1%) had post-secondary certificate, 8 (4.8%) had ordinary diploma, 9 (5.4%) had advanced diploma and finally 6 (3.6%) had postgraduate qualification. 118 70.2% of the respondents had post primary certificate education. This is a group of people who would be employed formally at some level of the economy but were engaged in small enterprises. There is therefore need to

cultivate the culture of entrepreneurship in the school curriculum so that those who would want to venture into business would be better prepared.

4.7.2 Having books of accounts

The study sought to find out from the traders if they had books of accounts. This would affect the performance of the business because records can assist the trader make decisions . The findings of the study are presented in table 4.19

Table 4.19 Having books of accounts

Responses	Frequency	Percentage
Yes	116	69
No	52	31
Total	168	100

Table 4.19 shows that, 116 (69%) had books of accounts while 52 (31%) had no books of accounts. This could also be attributed to the fact that a majority had post primary education. Traders should be trained on the importance of keeping records for their businesses as they would assist them make more informed decisions. These could be organized by MFIs that are working in the different areas.

4.7.3 Books of accounts assist in tracking profit and losses

The study was interested in finding out their opinion on whether keeping book of accounts would assist them in tracking whether the business is making profit or losses. Having a reference point on how the business is doing would assist in knowing how the business is performing. The findings of the study have been presented in table 4.20

Table 4.20 Books of Accounts assist in tracking profit and losses

Responses	Frequency	Percentage
To great extent	137	81.5
Somewhat	16	9.5
very little	1	0.6
Not at all	5	3.0
Not answered	9	5.4
Total	168	100

Table 4.20 shows that, 137 (81.5%) said that using books of accounts assist track whether business is making losses or profit, 16 (9.5%) said somewhat, 1 (0.6%) said very little while 5 (3%) said not at all. 137 (81.5%) of the respondents agrees that using books of accounts can assist an entrepreneur track the performance of the business. The traders should therefore be trained on better ways of keeping books of accounts as this could assist them access credit in MFIs.

4.7.4 Attending any course on entrepreneurship is important

The study was interested in finding out if the trader thought that being trained on an entrepreneurship course would be important. This is because it would provide some insights that the trader may not know hence improving the performance of the business. The respondents were therefore asked if they thought attending a course on entrepreneurship was important. The findings are presented in table 4.21

Table 4.21 Attending any course on entrepreneurship is important

Responses	Frequency	Percentage
Strongly agree	119	70.8
Agree	43	25.6
Disagree	1	0.6
Strongly disagree	0	0.0
Did not Answer	5	3.0
Total	168	100

On whether attending any course on entrepreneurship is important, 119 (70.8%) strongly agreed, 43 (25.6%) agreed and only 1 (0.6%) disagreed that attending any course on entrepreneurship is important for the business performance. There was 96.4% agreement that attending an entrepreneurship course would affect performance of a business. The government should therefore come up with short courses that would be affordable for traders to so as to improve their business skills.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings and discusses how the variables under the study relate. The chapter also draws conclusions on the findings and makes recommendations.

5.2 Summary of the findings

The themes used to present findings were access to capital, availability of markets, role conflict and levels of education.

5.2.1 Access to capital

Majority of the respondents started the businesses with between KSH 0-4999. This has an implication on the performance of the business as the amount cannot enable one grow or expand the business hence may lead to the failure of the business as this may be their only source of income. Further, 49.4% the respondents got the initial start-up capital from personal savings. This could be an indicator that the traders were once employed hence the ability to save and once they were out of employment, there was a need to earn some income hence started SSEs. Another, 40% got their start up funding from households, friends and relatives, inheritance, NGOs, this implies that as much as credit is available, majority still cannot afford interest rates charged by banks and micro finance institutions, therefore, there is need for the government to establish if the women's enterprise fund and the youth fund are accessible to small scale enterprises.

On income per week, 60.7% of the respondents were earning less than 1500 KSH per week. According to international poverty line indicators, Most traders are barely making 1.90 dollars to enable them meet basic needs hence a trader would prioritize their basics needs as opposed to their business thus affecting its performance. The traders should therefore be engaged in how they can increase their income to enable their businesses sustain themselves.

5.2.2 Availability of markets

On effects of entrepreneurs in a similar business 73.8% Of the traders felt that having entrepreneurs of similar business affects business could be because of Customers services, Lower prices , Disagreements, customers loyalty. Traders should therefore be taught how to handle customers in view of the discussed challenges if the business is expected to perform. These could be through use of mentors. On use of technology to in improving their business 78% of the traders felt that use of technology would improve their business. The government should therefore partner or encourage innovators to come up with applications that would assist traders market their goods and services for example with the use of their mobile phones or get information on how to market.

5.2.3 Role conflict

Majority of the respondents felt that having a family affected the performance of the business. The business owner should therefore explain to the rest of the family the importance of the business as a means of income so that they can support the business. From the findings, 54.2% of the respondents felt that spousal, or family support affects business. The government should introduce programs that encourage entrepreneurship so that all will feel that they need to support businesses that have been established either by contributing time or ideas. This could be through school programmes amongst others. 86.3% of the respondents felt that use of business income affects business performance. The traders should therefore be trained on ways of growing their businesses so that their income is enough to sustain their families and have enough left to be ploughed back to their businesses.

5.2.4 Levels of education

Majority of the respondents had post primary certificate education. They would probably be employed but had ventured into entrepreneurship as a way of earning income. On whether entrepreneurs had books of accounts, 69% of the respondents said they had books of accounts thus they were able to track on the performance of the business. This could also be attributed to the fact that a majority had post primary education.

On further inquiry, 81.5% of the respondents agreed that using books of accounts can assist an entrepreneur track the performance of the business because on a day to day, one sees whether they made a loss or profit and lays strategies to improve. While 96.4% of the respondents were in agreement that attending an entrepreneurship course would affect performance of a business. This is because one would learn ways of innovating new ideas that would appeal to their customers hence edge out competition and learn more on how they could access capital.

5.3 Discussion of findings

The themes used from research objectives were access to capital, availability of markets, role conflict and levels of education

Of the respondents interviewed, 63.1% started their businesses with less than 10,000 KSH. This has an implication on the performance of the business as the amount cannot enable one grow or expand the business hence may lead to the failure of the business. While, 89.3% of the respondents got their start-up capital from personal savings, households, friends and relatives, inheritance, NGOs, this implies that as much as credit is available, majority still cannot afford interest rates charged by banks and micro finance institutions, therefore, there is need to this affordable to enable small micro enterprises access credit. On inquiring whether access to capital was easy or not, 84% the respondents it's evident that majority felt that access to capital is not easy. Majority of the respondents who represented, 83.3% of the respondents were earning less than 2500 KSH per week which is a low amount and most of the traders may not be meeting their basic needs. Intervention is therefore needed for the traders to earn more so that their businesses do not fail. The findings above are in agreement with the views of International labour organization (2008), that noted that the Government of Kenya has made available low interest loans for women entrepreneurs through banks but the entrepreneurs feel the interest rates are still high. Odero (2010), asserts that, it is widely acknowledged that women in Kenya as in most African countries have limited access to credit. Athane (2011), reported that the greatest barrier facing women entrepreneurs in Kenya is access to finance is an issue because of requirements of collateral.

From the findings, majority of the respondents were aged between 20-40 years. This age bracket represents a large number of women who would be in formal employment. Finding a job has thus become difficult and therefore most young women go to business to survive.

Majority of the respondents that represented 86.3%, thought that marketing is important. This is so as to have a wide reach of customers, have the customers know more about your business thus ensuring there is a constant flow of customers. This is important for business to be sustained and for it to perform. A further, 78% of the traders felt that use of technology would improve their business. This was mostly through social media because you reach a wider audience. Learning about marketing the products would also be done by use of technology like the internet where one would improve on marketing their products and services. The findings agree with a study done that whilst micro-enterprises are very often the source of innovation, they are also especially vulnerable to competition from counterparts who introduce new products or services, or improve their production processes, lacking the resources to respond rapidly. Competition (markets) and information related factors, are said to be major challenges. Competition is seen in form of the size of market share in the rural setting. Most of these markets are not expanding and new competitors such as mini-super markets with wide varieties of products for those who were engaged in selling household products are emerging. To Jaiyeba (2010) this could be caused by lack of marketing skills.

On whether the respondents felt that having a family affected the performance of the business 55.3% agreed. This is because time was shared out between the business and the family hence one was not able to serve their customers well thus affecting the performance of the business. Being that 80 (47.6%) of the respondents solely take care of their families could further explain why the respondents felt that having a family affects the business due to time constraints. The findings are supported by a discussion that, majority of the women entrepreneurs cited competition as a major setback in their business due to lower costs, customers comparing services and customer loyalty. According to the Kenya rural enterprise program and Central bureau of statistics (2009),

Women in this sector are concentrated in the informal, micro, low growth, low profit areas, where competition is Intense. Raj (2007), asserts that, Poor location of unit, tough competition from larger and established units, lack of transport facility, lack of rest and sleep and non-availability of raw material were the significant problems faced by entrepreneurs. According to Itani (2011) and Roomi (2009), Female entrepreneurs also lack managerial skills. These females have less knowledge about market conditions and lack basic training to run a business venture.

Another 54.2% of the respondents felt that spousal or family support affects business. Those that do not get support find it difficult to run the business. This is because if there a sick child who has to be taken to hospital or to school and there's no support, then the trader will have to close down their business to attend to family matters thus affecting the performance of the business. A majority that represented, 86.3 % of the respondents felt that use of business income affects business performance. This is because the money that would have otherwise been used to grow the business goes into family use hence affecting performance of the business. This is supported by, Most of the women somewhat agreed that having a family would affect their business. Majority of the women also said that they were the sole caretakers of their families. Rajadhyaksha and Velgach (2009), Found that women experienced significantly higher family interference with work as compared to men. (Jennings and McDougald(2007), reported that another more recently frequent mentioned challenge is the combination of the business with family responsibilities, which may undermine the success of the business. Tanbunan (2009), asserted that the need to complete all household work without any assistance from other family members leaves less working hours for these females.

Majority or 70.4% of the respondents had post primary certificate education thus level of education attained could not affect the performance of the business. Another 69% of the respondents said they had books of accounts thus they were able to track on the performance of the business. This could also be attributed to the fact that a majority had post primary education.

A further 81.5% of the respondents agrees that using books of accounts can assist an entrepreneur track the performance of the business because on a day to day, one sees

whether they made a loss or profit and lays strategies to improve. There was 96.4% of the respondents that were in agreement that attending an entrepreneurship course would affect performance of a business. This is because one would learn ways of innovating new ideas that would appeal to their customers hence edge out competition and learn more on how they could access capital. Majority of the women had not accessed formal education, primary and O level education. According to Women Entrepreneurs in Kenya (2008), lack of sufficient education and training is therefore a major impediment to micro-enterprise success. Commonwealth Secretariat (2002) asserts that, culturally, and especially in the rural setting, the girl child was not given equal opportunity to study like the boys; hence they had limited education and training (if any) which makes them less well equipped to manage a business. In her study, Namusonge (2006), noted that entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment. According Steven (2005), despite the presence of Business Development services in Kenya not many women entrepreneurs use it because of cost, access, necessity, or availability

5.4 Conclusions

In conclusion, 63.1% of the respondents started their businesses with less than 10,000 KSH. A further, 89.3% of the respondents got their start-up capital from personal savings, households, friends and relatives, inheritance, NGOs, this implies that as much as credit is available, majority still cannot afford interest rates charged by banks and micro finance institutions, therefore, there is need to this affordable to enable small micro enterprises access credit and 84% of the respondents felt that access to capital is not easy. The government and other stakeholders should therefore ensure that capital is affordable to all business people regardless of the size their businesses.

On availability of markets, 86.3% respondents thought that attending a marketing training is important. Another, 78% of the traders felt that use of technology would improve their business. Therefore, traders should join hands with MFIs so that these skills are imparted for their businesses to perform better.

On role conflict, 55.3% of the respondents felt that having a family affected the performance of the business and being that 47.6% of the respondents solely take care of their families could further explain why the respondents felt that having a family affects the business due to time constraints. It is therefore upon the family members to embrace entrepreneurship as a source of income for the families so that the entrepreneurs get support whenever it is needed.

On levels of education, 70.4% of the respondents had post primary certificate education thus level of education attained could not affect the performance of the business. A significant number that represented 69% of the respondents said they had books of accounts thus they were able to track on the performance of the business. A further 81.5% of the respondents agrees that using books of accounts can assist an entrepreneur track the performance of the business. There was 96.4% agreement that attending an entrepreneurship course would affect performance of a business. This is because one would learn ways of innovating new ideas that would appeal to their customers hence edge out competition and learn more on how they could access capital.

5.5 Recommendations

Basing on the desktop findings, the following is recommended:

1. To fight poverty in Kenya, the regulators of micro finance institutions should have a policy that will regulate the rate of interest charged as the women entrepreneurs felt that the interest rates were too high and hence most could not afford to take loans.
2. Once an entrepreneur decided to join a particular MFI, the Micro finance institutions should reduce the cost of training sessions or provide it as a complementary free service for some time to all their clients in order to allow a larger number of women entrepreneurs to access training and hence get empowered.
3. The concept of table banking should be embraced by the government and policies formulated as it would be easy for women to access capital and at the same time safeguard their savings.

4. Business related courses should be offered from primary school to tertiary colleges so that those who are not able to get employment can venture into businesses with appropriate knowledge.
5. Registration of business people should be made easier by the county government as this would facilitate easier reach to the business community and the numbers would also be known.

5.6 Areas for further studies

The researcher would recommend the following areas for studies,

1. A study that would establish the number of traders in the informal sector in the informal settlements. This could also be categorized per trade
2. Studies that would establish the trainings needs of traders of informal businesses so as to help improve performance of their businesses

REFERENCES

- Acs, Z. and Szerb, L. (2007) *Entrepreneurship, Economic Growth and Public Policy. Small Business Economics*, 2007, Vol. 28 Issue 2/3, p. 109-122.
- Acs, Z.; Bardasi, E.; Estrin, S.; Svejnar, J. (2011) *Introduction to special issue of Small Business Economics on female entrepreneurship in developed and developing economies. Small Business Economics*, vol. 37 issue 4 November 2011, p.393 – 396.
- Amine, L.; and Staub, K. (2009) *Women entrepreneurs in sub-Saharan Africa: An institutional theory analysis from a social marketing point of view. Entrepreneurship & Regional Development*, Mar2009, Vol. 21 Issue 2, p. 183-211.
- Aidis, R.; Welter, F.; Smallbone, D. and Isakova, N (2007). *Female Entrepreneurship in Transition Economies: The case of Lithuania and Ukraine. Feminist Economics* 13(2), April 2007, p.157-183.
- Ahmad, S. Z., Xavier, S. R., Perumal, S., Nor, M. L. & Mohan, C. J. (2011). *The transition from corporate Careers to business ownership: The case for women entrepreneurs in Malaysia. international Journal of BusinessAdministration*, vol.2, No.3, 2011.
- Alam, Syed S.; Mohd, J.; Mohd, F.; Omar, Nor A. (2011) *An Empirical Study of Success Factors of Women Entrepreneurs in Southern Region in Malaysia. International Journal of Economics & Finance*, May2011, Vol. 3 Issue 2, p166-175.
- Akingunola, R., & Onayemi, S. (2010). *The role of informal finance in the development of women micro-business in Nigeria: A case study of Ogun and Oyo states. International Journal of Academic Research*, 5(2), 331-338.
- Athanne (2011). *Entrepreneurship in Kenya, Nairobi* .
- Bird B.J., (1989), *Entrepreneurial Behaviour*, Glenview IL, :Scot Foresman and Company
- Blanche, M. T., Durreheim K., and Painter D. 2009. *Research in practice*. Republic of South Africa: University of Cape Town Press.
- Bowen, M., Morara, M. & Mureithi, S. (2009). *Management of Business challenges among small & Micro enterprises in Nairobi- Kenya: KCA. Journal of Business Management* vol.
- Brush, C.G. & Hisrich, R.D. (1991), “*Antecedent influences on women-owned businesses*”, *Journal of Managerial Psychology*, Vol. 6 No. 2, pp. 9-16.

- Cantler & Leijon, (2007), *Team-oriented women entrepreneurs: a way to modern management* Journal of Small Business and Enterprise Development vol. 14 Issue 4
- Carter, N. (1997), “*Entrepreneurial processes and outcomes: the influence of gender*”, in Reynolds, P. and White, S. (Eds), *Economic Growth, Men, Women and Minorities*, Quorum Books, Westport, CT.
- Carter, S. and Cannon, T. (1988), “*Female entrepreneurs: a study of female business owners, their motivations, experiences and strategies for success*, Research Paper, No. 65, Department of Employment, London.
- Chow, C.K.W & Fung, M.K.Y. (1996). *Firm Dynamics and Industrialization in the Chinese Economy Transition: Implications for small Business Policy*. Journal of Business Venturing, 11(6):485-505
- Corbun et al., *Mathare Valley / Nairobi, Kenya 2012 Collaborative Slum Planning & Upgrading*
- Cramer, D. and Howitt, D. (2004), “*The SAGE Dictionary of Statistics: A Practical Resource for Students in the Social Sciences*, Sage Publications LTD, London.
- Deakins, D. and Whittam, G. (2000), “*Business start-up: theory, practice and policy*”, in Carter, S. and Jones-Evans, D. (Eds), *Enterprise and Small Business: Principles, Practice and Policy*, Financial Times Prentice-Hall, London.
- Drucker, P. (2002), “*Three Sigma’s Theory of Business The Model*”, Three Sigma Inc
- Emran *et al.*, (2007), *Microfinance and Missing Markets*, Columbia Business School Finance and Economics; National Bureau of Economic Research (NBER)
- European Union, (2016), *GROWTH, internal market, industry, Entrepreneurship and SMEs*
- Ewoh and Ethel, (2014), *Female entrepreneurs performance: a systematic literature review of forces influencing the performance of African female entrepreneurs*, University of Jyvaskyla
- Farr-Wharton, R & Brunetto, (2007), ‘*Organisational relationship quality and service employee acceptance of change in SMEs: a social exchange perspective*’, Journal of Management and Organization, vol. 13, no. 2, pp. 114-126.

Federal Reserve,(1998), *Survey Of Small Business Finances*, USA

Fletschner D., & M.R. Carter, (2008), *Constructing and Reconstructing Gender.Reference Group Effects and Womens Demand for Entrepreneurial Capital*. Journal of Behavioural and Experimental Economics. Volume 37, Issue 2, pages 672-693

Fonseca, Mullen *et al.*, *What Explains the Gender Gap in Financial Literacy? The Role Of Household Decision Making*, National Center for Biotechnology Information, U.S. National Library of Medicine 8600 Rockville Pike, Bethesda MD, 20894 USA

Glen & Singh, (2003), *Comparing capital structures and rates of return in developed and emerging markets*, copyright Elsevier B.V 2015

Global Entrepreneurship Monitor (GEM),. (2004), *How Entrepreneurial was Ireland in 2004*, The Irish Annual Report.

Greene, P.G., Hart, M.M., Gatewood, E.J., Brush, G.C., & Carter, N.M. (2003). *Women entrepreneurs: Moving front and center: An overview of Research and Theory*

Halkias *et al.*, (2011), *Female Immigrant Entrepreneurs. The Economic and Social Impact of a Global Phenomenon*, Ashgate publishing USA

Hampton, A., McGowan, P. and Cooper, S. (2011), “*Developing Quality in Female High Technology Entrepreneurs“ Networks”*”, *International Journal of Entrepreneurial Behaviour & Research*, Vol. 17, No. 6, pp. 588-606

Hallward-Driemeier, M. (2011) *Enterprising women. Expanding opportunities in Africa*
Washington DC: World Bank

Hampel-Milagrosa, A. (2011) *The role of regulation, tradition and gender in Doing business Bonn*: German Development Institute

- Heintz, J. and L. Pickbourne (2011) *The determinants of selection into non-agricultural self-employment in Ghana Mimeo*. University of Massachusetts
- Hisrich, R. & Brush, C. (1985). *The woman entrepreneur*. Lexington, MA: Lexington Books Inc.
- Ibru, C. (2009): *Growing microfinance through new technologies*. Federal University of Technology, Akure, Nigeria.
- Institute of Economic Affairs- Kenya (2008) *Profile of Women's social-Economic Status in Kenya*.
- Itani et al. (2011), *United Arab Emirates female entrepreneurs: motivations and Frustrations* Equality, Diversity and Inclusion: An International Journal, Volume 30, Issue
- Jamali, (2009), *Constraints and opportunities facing women entrepreneurs in developing Countries*, Gender in Management: An International Journal, volume 24, Issue 4
- Jefferson, Gary, Thomas Rawski and Yuxin Zheng, 1994, "Comment on *The Efficiency and Macroeconomic Consequences of Chinese Enterprise Reform* by Woo, Fan, Hai 7Jin, China Economy review, Vol.5, No. 2
- Journal of Business Venturing Volume 26, Issue 4, July 2011, Pages 441–457
- Kaplan, E. (1988). *Women entrepreneurs: Constructing a framework to examine venture success and failure*. In B. A. Kirchoff, W. A. Long, W. Ed McMullan, K. H. Vesper, & W. E.
- Kariuki C.G. 2010, women participation in the Kenyan society. 2010 CIPE Youth contest
- Kavitha, R., Anantharaman, R.N. & Sharmila, J. (2008). *Motivational Factors Affecting Entrepreneurial Decision: A comparison between Malaysian Women Entrepreneurs and Women Non-entrepreneurs*. Communications of the IBIMA, Vol.2, pp. 85-89
- Kenya Bureau of Statistics 2011
- Kenya Rural Enterprise & Central Bureau of Statistics, (2009)
- Kets de Vries, M.F.R. 1993, "The dynamics of family controlled firms: The good and the bad news", *Organizational Dynamics* (Elsevier Inc.), vol. 21, No. 3, pp. 59-71.

- Kimani, E.N., & Kombo, D.K. (2010). *Gender and poverty reduction: A Kenyan context. Educational research and Reviews*, 5(1), 24-30.
- Kinnunen, U., & Mauno, S. (2007). *Antecedents and outcomes of work family conflict among employed women and men in Finland*. *Human Relations*, 51(2), 157-177.
- Krejcie and Morgan, (1970), *Determining Sample Size for Research Activities*,
Minnesota, USA.
- Kushoka, I. (2011). *Challenges facing women microenterprise in Dar es Salaam, Tanzania*. *International Journal of Human Resource Studies*, 1(2), 1-9.
- Lakshmi, C. Swarajya, ed., 1998. *Development of Women Entrepreneurship in India: Problems and Prospects* (New Delhi, Discovery Publishing House).
- Luo, Yadong, *Journal of Small Business Management* , Vol. 37, No. 1 , January 1999
- Lusardi & Mitchell, (2007), *Baby Boomer retirement security: The roles of planning, financial literacy, and housing wealth*, Volume 54, Issue 1
- Maas, G., & Herrington, M. (2006). *Global entrepreneurship monitor South African report*.
- Mathare Zonal Plan | Nairobi, Kenya *Collaborative Plan for Informal Settlement Upgrading*, UC Berkerly, UON, Muungano Trust Team, Slum dwellers Initiative, July 2012
- Miller *et al.*, (2007), *Stewardship vs. Stagnation: An Empirical Comparison of Small Family and Non-Family Businesses*, *Journal of Management Studies*, Volume 45, Issue 1, pages 51–78
- Minniti, (2009), *Gender Issues in Entrepreneurship*, Now Publishes Inc. USA
- Mkpado, M. & Arene, C. J. (2007). *Effects of democratization of group administration on the sustainability of agricultural microcredit groups in Nigeria*. *International Journal of Rural Studies* , 14 (2), 1-9.
- Modigliani, F., & Miller, M.H. (1958). *The cost of capital, corporation finance and the theory of investment*. *American Economic Review*, 48, 261-295.
- Mordi *et al.*, *Women Entrepreneurship Development in Nigeria: the Effect of Environmental Factors*, Covenant University, Nigeria

- Mugenda, A. (2003). *Research Methods: Qualitative and Quantitative Approaches*. Nairobi. Africa Center for Technology Studies.
- Orodho, A. (2003). *Essentials of educational and social sciences research methods*. Nairobi: Masola Publishers.
- Namusonge et al., (2006), *Effect of Entrepreneurial Finance on the Growth of Small and Medium Enterprises in Kenya*, European Journal of Business and Management, Volume 6, No. 31
- Naughton & Barry, (1994), *Growing out of the plan: Chinese economic reform, 1978-1993*. York:Cambridge University Press
- Nee & Sanders, (1992), *Problems in Resolving the Enclave Economy Debate*, American Sociological Association, Volume 57, No. 3
- Odero-Wanga et al.,(2010), *Overcoming the Odds: Strategies Used By Women Entrepreneurs in Milk Microenterprises in Kenya*, Department Applied Community Development Studies, Egerton University, Egerton, Kenya
- Perkins, Dwight, et al. (1994), *Rural small-scale industry in the People's Republic of China*. Berkeley: University of California Press
- Raj, (2007), *Causes and Constraints Faced by Women Entrepreneurs in Entrepreneurial Process* Department of Family Resource Management, College of Home Science CSK , Himachal Pradesh, India
- Rajadhyaksha, U. & Ramadoss, K. (2010). *Test of a causal model of work-family conflict in India*. Retrieved June 10 2015, from www.workfamilyconflict.ca/cms/documents/83/India_2010.doc
- Ramadoss, K., and U. Rajadhyaksha. 2012. *Gender Differences in Commitment to Roles, Work- Family Conflict and Social Support*. Journal of Social Science 33 (2): 227–33.
- Rajadhyaksha, U. & Velgach, S. (2009). *Gender, gender role ideology and work-family conflict in India*. Academy of Management, Chicago, IL, USA.
- Roomi, (2009), *Impact of Social Capital Development and Use in the Growth Process of Women-Owned Firms*, Journal of Enterprising Culture. Volume 17, Issue 04,
- P., Carter, S. and Hamilton, D. (1996), “*Gender as a determinant of small business performance: insights from a British study*”, *Small Business Economics*, No. 8, pp. 463-78

- Rosa, P., Hamilton, D., Carter, S. and Burns, H. (1994), “*The impact of gender on small business management: preliminary findings of a British study*”, *International Small Business Journal*, Vol. 12 No. 3, pp. 25-33.
- Simpson, S. (1991), “*Women entrepreneurs*”, in Firth-Cozens, J. and West, M.A. (Eds),
- Sorenson, R. L., Folker, C. A. and Brigham, K. H. (2008), “*The Collaborative Network Orientation: Achieving Business Success through Collaborative Relationships*”, *Entrepreneurship: Theory and Practice*, Vol. 32, No. 4, pp. 615-634
- Stango & Zinman, (2009), *Exponential Growth Bias and Household Finance*, *The Journal of Finance* Volume 64, Issue 6,
- Still, L.V. and Timms, W. (2000a), *Making a Difference: The Values, Motivations and Satisfaction, Measures of Success, Operating Principles and Contributions of Women Small Business Owners, discussion paper series, Centre for Women and Business*, The University of Western Australia, Perth, pp. 3-18.
- Still, L.V. and Timms, W. (2000), “*Women’s business: the flexible alternative work style for women*”, *Women in Management Review*, Vol. 15 No. 5/6, pp. 272-83.
- Stoner, C. R., Hartman, R. I., & Arora, R. (1990). *Work-home role conflict in female owners of small business: An exploratory study. Journal of Small Business Management*, 28 (1), 30 -38.
- Suda *et al.*, (1991), *Women and development in Kenya: Siaya District Studies*, University of Nairobi
- Suda, C. 2002. *Gender Disparities in the Kenyan Labour Market: Implications for Poverty Reduction*. University of Nairobi, Kenya.
- Sullivan, P., Halbrendt, C., Wang, Q., & Scannell, E. (1997). *Exploring female Entrepreneurship in rural Vermont and its implications for rural America*. *Economic Development Review*, 15 (3), 37-42.
- Tambunan, (2009), *Women entrepreneurship in Asian developing countries: Their development and main constraints*, Centre for Industry and SME Studies, University of Trisakti, Indonesia.
- Timmons J.A. & S. Spinielli, (2009), *New Venture Creation: Entrepreneurship for 21st Century*, 8th Edition, Boston, McGraw Hill
- The Journal of Development Studies Volume 31, Issue 4, 1995
- Ufuk, H., & Ozgen, O. (2001). *Interaction between the business and family lives of women entrepreneurs in Turkey*. *Journal of Business Ethics*, 31 (2), 95-106.

- Walelign & Wondim, (2002), *The entrepreneurial arch :a strategic framework for discovering Entrepreneurs*, University of Canterbury, New Zealand
- Wetzel, Jr. (Eds.), *Frontiers of entrepreneurial research* (pp. 643-653). Boston, MA: Babson College.
- World Bank (2007). *Doing Business: How to Reform*. Washington, D.C.: The International Bank for Reconstruction and Development / The World Bank.
- World Bank, FAO, IFAD (2009). *Gender and agriculture source book*. Washington DC: World Bank.
- Women at Work – Psychological and Organizational Perspectives*, Open University Press, Philadelphia, PA.
- Zissimopoulos, J., Karney, B., & Rauer, A. (2008). *Marital Histories and Economic Well-Being*. USA
- Zororo, M. (2011). *Characteristics and Motivation in Female Entrepreneurship . Case of Botswana*. University of Botswana Journal.

APPENDIX I:

LETTER OF TRANSMITTAL

Karimi Janet Wangeci

P. O. Box 903 10100,Nyeri.

15th August, 2015.

TO WHOM IT MAY CONCERN

Dear Madam,

RE: REQUEST FOR INFORMATION FOR AN ACADEMIC RESEARCH PROJECT

I am a student at the University of Nairobi and currently pursuing a Masters Degree in Project Planning and Management. As a requirement for partial fulfillment for an award of the Masters Degree, I am carrying out an academic research project on the **Determinants Influencing Performance of Scale Enterprises Owned By Women In Informal Settlements, a Case of Mabatini village, Mathare Slum in Nairobi County, Kenya.**

Given that you are running a business in Mabatini, Mathare slum, I believe you have vital information relevant to my research project. I therefore, kindly request your assistance by filling in the questionnaire attached herewith. All the information that will be collected will be held with strict confidentiality and will be used for academic purposes only.

I look forward to your very vital response.

Yours sincerely,

Janet Karimi.

Masters Student

APPENDIX II:
QUESTIONNAIRE FOR BUSINESS WOMEN

Questionnaire

Dear Participant,

This questionnaire is for academic research purposes only. It requires you to recall various events that may have happened in your life, and where and when these events took place. All the responses will be treated with utmost confidentiality. Tick where appropriate. Thank you very much for your cooperation.

PART I: GENERAL INFORMATION

SECTION A DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

1. Age bracket (in years) - select one:

- Below 20 20 to 30 31 to 40
41 to 50 51 to 60 Over 60

2. Marital status:

- Married Single Separated
Divorced Widowed

SECTION B

ACCESS TO CAPITAL ON PERFORMANCE OF SMES

3. What was your initial capital (the amount used to start the business)

- KSH 0-4999 KSH 5000-9999
KSH 10000-14999 KSH over 15000

4. What was your main source of start-up funding?(please tick one)

- Personal saving Household
Borrowed from relatives or friends/money lenders
Micro-finance institutions Assistant from friends/relatives

Inheritance Borrowed from Bank

Assistant from NGO's

Others (specify)

.....
5. How accessible is capital to you?

Easy Not easy Difficult Very difficult

6. What is your income per week

Below 500 KSH 500-1499

KSH 1500-2499 KSH above 2500

7. Borrowing of money will improve your business?

Strongly agree Agree Disagree Strongly disagree

SECTION C

AVAILABILITY OF MARKET PERFORMANCE OF SMES

8. Having other entrepreneurs engaged in a similar venture affects business.

To a great extent Somewhat Very little Not at all

9 Attending trainings on marketing is important for business?

Important Moderately important Of little importance

Unimportant

10. Use of technology to market your products or services to customers would greatly improve business.

Usually true Occasionally true Usually not true

Almost never true

SECTION D

ROLE CONFLICT PERFORMANCE OF SMES

11. a) Having a family affects business.

To a great extent Somewhat Very Little Not at all

b) Who takes care of your children when you are at work?

Self Spouse Relatives

12. a) What time do you report to work?

6am-7am 8am-9am 9am onwards

13 Spousal or family support affects your business?

To a great extent Somewhat Very Little Not at all

14. Who makes decisions about the business?

Self Spouse Others

b) How does this affect your business?

To a great extent Somewhat Very Little Not at all

15. Use business income for family use affects business performance.

Strongly agree Agree Disagree Strongly disagree

SECTION E

LEVELS OF EDUCATION PERFORMANCE OF SMES

16. Highest level of education attained (please, mark one)

Never attended formal education Primary school

O-Level secondary school A-Level secondary school

Post-secondary certificate Ordinary diploma

Advanced Diploma/First degree Postgraduate qualification

Other (please,

specify).....

17. a) Do you have a book of accounts

Yes

No

b) Having books of accounts, will assist one track whether business is making losses or profit?

To a great extent Somewhat Very Little Not at all

18 Attending any course on entrepreneurship is important.

Strongly agree Agree Disagree Strongly disagree

APPENDIX III: MORGAN TABLE

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size
"S" is sample size.

Source: Krejcie & Morgan, 1970