

**INFLUENCE OF SOCIO-ECONOMIC FACTORS ON PERFORMANCE OF  
WOMEN OWNED ENTERPRISES IN KARATINA TOWN, NYERI COUNTY,  
KENYA**

**BY  
CHRISTINE BENTAH MUNUBI**

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

**2017**

**DECLARATION**

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

Sign..... Date .....

**CHRISTINE BENTAH MUNUBI**

**L50/73236/2014**

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

Sign..... Date .....

**PROF. HARRIET KIDOMBO**

Department of Educational studies

University of Nairobi

## **DEDICATION**

This paper is dedicated to my dad Elisha Munubi; my role model for his moral and financial support to my overall academic achievement.

## **ACKNOWLEDGEMENT**

First and foremost, I thank my supervisor Professor Harriet Kidombo who has tirelessly and consistently assisted me in undertaking of this research project despite of her busy schedule. I won't forget to acknowledge my lecturers for imparting knowledge and my classmates through the interaction in group discussions that made it a successful learning experience.

I thank God for His love and grace throughout the study period of my Masters of Arts degree. It is with great pleasure that the University of Nairobi offered me a chance to pursue this course, to gain knowledge and finally to carry out this research project.

My sincere gratitude goes to my colleagues from Kenya Industrial Estates Karatina branch, specifically the branch manager and my colleague Purity who have relentlessly supported me since working and studying at the same time is quite challenging. Not leaving out my friends who made it easy through their support and prayers towards my undertaking of this course.

I would like to acknowledge my loving parents Elisha Munubi and Judith Imbaya for their constant encouragement, motivation, financial and moral support towards this research project and to my overall academic achievement. I am grateful for my family, my daughter Wema, my brothers Paul and Sam and my sister Mercy for their support.

Lastly, I thank my friend Admolla Sime for her motivation and moral support; God bless you.

## TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>ii</b>
<b>DEDICATION.....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>iv</b>
<b>LIST OF TABLES .....</b>	<b>viii</b>
<b>LIST OF FIGURES .....</b>	<b>ix</b>
<b>LIST OF ABBREVIATIONS AND ACRONYMNS .....</b>	<b>x</b>
<b>ABSTRACT.....</b>	<b>xi</b>
<b>CHAPTER ONE: INTRODUCTION.....</b>	<b>1</b>
1.1 Background to the Study .....	1
1.2 Statement of the Problem .....	4
1.3 Purpose of the Study .....	5
1.4 Research Objectives .....	5
1.5 Research Questions .....	6
1.6 Significance of the Study .....	6
1.7 Delimitation of the Study .....	6
1.8 Limitations of the Study .....	7
1.9 Assumptions of the Study .....	7
1.10 Definitions of Significant Terms.....	8
1.11 Organization of the Study .....	8
<b>CHAPTER TWO: LITERATURE REVIEW.....</b>	<b>9</b>
2.1 Introduction .....	9
2.2 Performance of Women Enterprise Development.....	9
2.3 Women Entrepreneurs in Kenya .....	10
2.4 Socio-Economic Factors and Performance of Women Owned Enterprises.....	10
2.4.1 Family Responsibilities and Performance of Women Owned Enterprises .....	11
2.4.2 Access to Finance and Performance of Women Owned Enterprises .....	13
2.4.3 Management of Employees and Performance of Women Owned Enterprises .....	15
2.4.4 Discrimination and Performance of Women Owned Enterprises .....	16
2.5 Theoretical Framework .....	18
2.5.1 Biological Theory of Entrepreneurship .....	18

2.5.2 Sociological Theories of Entrepreneurship .....	19
2.6 Conceptual Framework .....	20
<b>CHAPTER THREE:RESEARCH METHODOLOGY .....</b>	<b>22</b>
3.1 Introduction .....	22
3.2 Research Design .....	22
3.3 Target Population .....	22
3.4 Sample Size .....	23
3.5 Sampling Procedure .....	23
3.6 Data Collection.....	24
3.6.1 Research Instruments.....	24
3.6.2 Pilot Test.....	25
3.6.3 Data Collection.....	26
3.6.4 Data Analysis.....	26
3.7 Ethical Consideration .....	27
3.8 Operational Definition of Variables .....	27
<b>CHAPTER FOUR:DATA ANALYSIS, PRESENTATION AND INTERPRETATION .....</b>	<b>29</b>
4.1 Introduction .....	29
4.2 Questionnaire Return Rate .....	29
4.3 Respondents' Profile .....	29
4.4 Family Responsibilities .....	32
4.5 Access to Finance.....	34
4.6 Management of Employees .....	36
4.7 Discrimination of Women Entrepreneurs .....	37
4.8 Regression analysis .....	40
4.9 Correlation Analysis.....	42
<b>CHAPTER FIVE:SUMMARY, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>44</b>
5.1 Introduction .....	44
5.2 Summary of Findings .....	44
5.3 Discussions of the Findings.....	44

5.3.1 Family Responsibilities and Performance of Women Owned Enterprises. ....	44
5.3.2 Access to Finance and Performance of Women Owned Enterprises. ....	46
5.3.3 Management of Employees and Performance of Women Owned Enterprises.	49
5.3.4 Discrimination and Performance of Women Owned Enterprises. ....	51
5.4 Conclusion.....	53
5.5 Recommendations for Policy and Practice.....	54
5.6 Suggestions for Further Research .....	55
<b>REFERENCES.....</b>	<b>56</b>
<b>APPENDICES .....</b>	<b>61</b>
APPENDIX I: LETTER OF INTRODUCTION .....	61
APPENDIX II: QUESTIONNAIRE FOR WOMEN ENTREPRENEURS .....	62
APPENDIX III: MATHIRA CONSTITUENCY MAP .....	68

## LIST OF TABLES

Table 3.1: Categories of Women-Owned Enterprises in Karatina Town .....	23
Table 3.2: Sample Size .....	24
Table 3.3: Operationalization of Variables .....	28
Table 4.4: Questionnaire Response Rate .....	29
Table 4.5: Summary of Age of the Respondents .....	30
Table 4.6: Summary of Age of Women Owned Enterprises .....	30
Table 4.7: Summary of Respondents' Level of Education .....	31
Table 4.8: Summary of Marital Status of Respondents .....	32
Table 4.9: Summary of responses on influence of Family Responsibilities on Performance of Women owned Enterprises .....	33
Table 4.10: Summary of Responses of Respondents Borrowing from a Financial Institution .....	34
Table 4.11: Summary of Responses on Frequency of Borrowing from Financial Institutions.....	35
Table 4.12: Summary of responses on influence of Access to Finance on Performance of Women Owned Enterprises .....	36
Table 4.13: Summary of Responses on Influence of Management of Employees on performance of Women Owned Enterprises.....	37
Table 4.14: Summary of Responses on Influence of Discrimination of Women Entrepreneurs on Performance of Women Owned Enterprises .....	39
Table 4.15: Model summary .....	40
Table 4.16: Anova table .....	41
Table 4.17: Regression Coefficients .....	42
Table 4.18: Correlation Coefficients.....	43



## LIST OF FIGURES

Figure 2.1: Conceptual Framework .....	20
--	----

## **LIST OF ABBREVIATIONS AND ACRONYMS**

<b>AfDB</b>	African Development Bank
<b>CEDAW</b>	Convention on the Elimination of All Forms of Discrimination Against Women
<b>GDP</b>	Gross Domestic Product
<b>GEM</b>	Global Entrepreneurship Monitor
<b>IFC</b>	International Finance Corporation
<b>IFC-GEM</b>	International Finance Corporation Gender Entrepreneurship Markets
<b>ILO</b>	International Labour Organization
<b>SME</b>	Small and Medium Enterprise
<b>SMEs</b>	Small and Medium Enterprises
<b>SPSS</b>	Statistical Package of Social Science

## ABSTRACT

Female entrepreneurs have made a great contribution to communities around the world making numerous contributions in form of ideas. Such entrepreneurs are key to the economic development of a nation. They are major actors and contributors to the economic development of a nation. Women entrepreneurs are faced with multiple obstacles that hinder growth and sustainability of their businesses. This study sought to establish the influence of socio economic factors on the performance of women owned enterprises in Karatina Town, Nyeri County. The study was based on descriptive survey research design and targeted 500 women entrepreneurs from Karatina town. A sample of 150 enterprises and women was obtained using stratified random sampling and simple random sampling respectively. A sample of 30% from each enterprise category was drawn with equal probability of being selected. A semi structured questionnaire that was self-administered was used to collect data. Questionnaire return rate was at 92% where 138 out of 150 questionnaires were returned. Exploratory and inferential statistics were used to analyze the collected data. After data collection, data collected was pre-processed to remove undesirable and unfeasible data, a coding scheme from the responses was developed, summarized and later analyzed using SPSS. The analyzed data was presented in form of tables of mean, percentages, standard deviation, correlation and regression. The study established that 31.9% were aged between 46-55years which showed that this was the most productive group that had fewer family responsibilities since they were done with child bearing which made them more flexible to manage their businesses. The respondents agreed that there was poor balance between family and business responsibilities. Women entrepreneurs were found to have poor management skills which made them dependent on the employees for assistance. The study recommended that banks should introduce financial products that favor women to suit their entrepreneurial needs hence address the hindrance to the access of finance thus enhancing the performance of women owned enterprises. These financial products should be affordable in terms of interest rates and flexible repayment periods that would encourage women to explore in the entrepreneurial activities. The researcher recommended that the government should set more policies that encourage more women entrepreneurial initiatives which will help change the perception in gender stereotyped society thus equipping them with more entrepreneurial skills to run their businesses. The researcher suggested that the study be replicated in other regions to confirm if the results attained are similar to the one of this study.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the Study**

Women entrepreneurs add numerous ideas, capital resources and energy to their communities which translates to job creation (Common wealth secretariat, 2002). Women entrepreneurs play a key role in economic development as their contributions are being seen in the developing countries' economies. Developing nations have empowered women which in the last three decades has shown remarkable improvement (Yeshiareg, 2007). Entrepreneurs despite their contribution face many challenges which hinder the survival and development of their businesses. According to ILO (2005), the chances of a small business celebrating the fifth birthday are very slim. Marlow (2009) in his research noted that the rate of failure of small businesses is high in developing economies compared to the developed ones. Various factors have been found to affect the performance of small scale businesses. These include the preference of the entrepreneurs, the skills and capabilities, the cultural background, and technological environment (Buttner, 2001; Makhbul, 2011). However, the gender aspect in performance of small businesses has been assumed by researchers. This was through exclusion of women from the population or assumption of gender as a variable (Brush, 2000). The factors relating to the performance of small scale businesses operated by women has been assumed despite the gender differences in such businesses (Brush & Hirsch, 2000).

In Kenya, Women entrepreneurs have become important in the growth of economy since they help in creation of jobs. Women owned businesses could do more than the current contribution. From past researches indicates that there's failure of countries in not

addressing gender barriers which in turn make them lose out significantly in economic growth. For Kenya to achieve significant economic growth, gender barriers need to be addressed. The government of Kenya knows that women entrepreneurs have not been treated equally in the access of assets and opportunities and it's yet to address barriers that are faced with women entrepreneurs (Athanne, 2011).

According to National baseline survey on MSEs (1999) it illustrated that 612,848 women in Kenya are involved in micro, small and medium enterprises this represented by 47.4 %. Further, the results indicated that most women leaned towards operating businesses associated women traditional roles like beauty and hair salons, hotels and restaurants, wholesale and retail shops. Economic Survey in Kenya (2006) purports that women owned enterprises created over 50% jobs in 2005. In the past, statistics has shown that with within the first few months of operation, three out of five businesses fail. The establishment and operation of small businesses is not definite since it may or may not succeed and due to the smallness of the size of a small business, a little management mistake might lead to the collapse of a small enterprise and may lose the opportunity of learning from past mistakes/experience.

Poor management, inadequate financing and lack of planning are leading roots of failure of small businesses (Longenecker, et al., 2006). Inadequate funds have been recognized as the main limitations that are facing small and micro enterprises hence hinder their development (Oketch, 2000). Education positively influences the growth of firms through human capital and education/job training which enables them to adapt to the environmental changes in business (King & McGrath, 2002).

In most cases, smaller businesses are operated by women compared to men; workers in enterprises owned by women were represented by 86% being women managers/owners, 4% hired workers and 10% family members who are unpaid. While in workers in enterprises owned by men, 68% represented the men managers/owners, 17% hired workers and 15% were unpaid members of family and apprentices (Economic Survey in Kenya, 2006).

Agriculture, industry and services constitutes to Kenya's private sector which contributes to 81% of gross domestic product. The creation of almost all jobs in Kenya in 2006 was from the informal sector and the micro and small enterprises; in comparison Europe 53% represents all jobs that were micro enterprises while Botswana was at 30-45% (LEA, 2007). The current relationship within the private sector renders MSEs to be a disadvantaged private sector. This need education and capacity development, building of trust between smaller and larger firms, access to formal fiscal and non-fiscal services for smaller enterprises and this requires adequate resources and active facilitation (Economic survey, 2006).

Women entrepreneurs who operated MSEs in Kenya were grouped into three profiles that are small scale enterprises, Jua kali enterprises and very small micro enterprises. These were grouped according to their demographic profiles, business needs, growth orientation and level of previous business experience. Other agricultural activities and subsistence farming supplemented by microenterprises constituted means for which most rural women provided for their families (Stevenson and St-ONge, 2005).

## **1.2 Statement of the Problem**

In the Kenyan Economy, SMEs play a vital role. Economic Survey in Kenya (2006) purports that women owned enterprises created over 50% jobs in 2005. In the past, statistics has shown that with within the first few months of operation, three out of five businesses fail (Kenya National Bureau of Statistics, 2007).

Women entrepreneurs in Karatina town face numerous problems which affect the performance of their enterprises such as multiple family responsibilities, discrimination due to cultural beliefs towards women in business, inadequate access to finance, competition from already established male counterparts, lack of collateral to secure loans from financial institutions, lack of management skills and capacity to manage their businesses. These hitches have a great influence on performance of women enterprises in Karatina town.

Women owned enterprises are known for low working capital and low start up that is women owned enterprises have limited potential and low growth rate owing to the kind of business they venture into (Siwadi et al 2011; Glen 2003). Apart from inadequate financing problems, the question is what are other socio-economic factors that influence the performance of women owned enterprises? Women entrepreneurs' face many challenges that hinder their effort in entrepreneurial activities. Most small businesses lag behind in performance due to tough conditions in terms of lack of adequate collaterals demanded by financial institutions a loan requirement (Kimathi, 2009).

The created impression is that women entrepreneurs are incapable of benefitting from the financial institutions meaning that either they are too small for conventional banks yet too big for microfinance institutions.

Most academics and policymakers agree that a catalyst for national competitiveness and economic growth is entrepreneurship, but not all clusters in their societies have equivalent access to this endeavor. Economies lose benefits such as additional revenues, new jobs, new products and services when a major portion of population doesn't involve in entrepreneurship. The society misses out value that can be created when women do not equally play a part in entrepreneurship (GEM Women's Report, 2010).

While exploring the influence of socio-economic factors on enterprises, this study investigated their influence on the performance of women owned such as family responsibilities, access to finance, management of employees and discrimination of women entrepreneurs in Karatina Town, Nyeri County.

### **1.3 Purpose of the Study**

The study sought to assess the influence of socio-economic factors on the performance of women owned enterprises in Karatina Town, Nyeri County, Kenya.

### **1.4 Research Objectives**

The study sought to;

1. Establish how family responsibilities influence the performance women owned enterprises in Karatina Town, Nyeri County, Kenya.
2. Assess the influence of access to finance on the performance of women owned enterprises in Karatina Town, Nyeri County, Kenya.
3. To establish the influence of management of employees by the women entrepreneurs on the performance of women owned enterprises in Karatina Town, Nyeri County, Kenya.



4. To establish the influence of discrimination of women entrepreneurs on the performance women owned enterprises in Karatina Town, Nyeri County, Kenya.

### **1.5 Research Questions**

The study sought to answer the following research questions;

1. What is the influence of family responsibilities on the performance women owned enterprises in Karatina Town, Nyeri County, Kenya?
2. What is the influence of access to finance on the performance of women owned enterprises in Karatina Town, Nyeri County, Kenya?
3. What is the influence of management of employees by women entrepreneurs on the performance of women owned enterprises in Karatina Town, Nyeri County, Kenya?
4. What is the influence of discrimination of women entrepreneurs on the performance of women owned enterprises in Karatina Town, Nyeri County, Kenya?

### **1.6 Significance of the Study**

This study sought to establish how socio-economic factors influenced the performance of women owned enterprises in Karatina Town, and also it provided recommendations on how the hindrances would be alleviated to the success of the women owned enterprises.

### **1.7 Delimitation of the Study**

The study investigated the influence of socio economic factors on the performance of those enterprises owned by women. The study does not cover any other region within the Nyeri County but exclusively Karatina Town. The study was limited to women

entrepreneurs who owned businesses and were used as the target population to ensure that the study was more feasible in achieving the research objectives.

### **1.8 Limitations of the Study**

There was an expected challenge during data collection where some respondents failed to give accurate information due to their varied levels of education and personal interests. Most women delegated their businesses to family members who sometimes happened to be men which sometimes misled the researcher to believe that the business was owned by men. However, the researcher had two research assistants who assisted the respondents with the questionnaires and won their confidence with the assurance of information confidentiality.

### **1.9 Assumptions of the Study**

The stated objectives in this study were assumed to have been achieved and women owned enterprises in Karatina Town represented the country's women owned enterprises. The sample population used was assumed to be a representative of the whole population of women owned enterprises in Karatina Town. Finally, the research tools were assumed to be suitable in collecting relevant data with the respondents answered the questions correctly and accurately.

### **1.10 Definitions of Significant Terms**

**Women Owned Enterprises:** are business enterprises that are solely managed and owned by the women. Women entrepreneurs are women who venture out into industrial activities where they operate, establish and initiate a business.

**Performance of Women Owned Enterprises:** As used in this study, refers to the overall operations and undertakings performed by women entrepreneurs in strengthening their enterprises.

**Women Entrepreneurs:** In the context of this study, women entrepreneurs are who control and own their enterprises. They will include all women who own various types of enterprises from micro, small and medium enterprises.

### **1.11 Organization of the Study**

Chapter one provides the background of the study which presents the subject matter under investigation. Chapter two presents a literature review which includes theoretical and conceptual framework. Chapter three describes the research methodology. Chapter four provides data analysis, interpretation and presentation of results and finally chapter five summarizes and discusses the findings while at the same time give conclusions and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter discusses in general about performance of women enterprise development, women entrepreneurs in Kenya, gender and entrepreneurship theories, the various socio-economic factors that influence the performance of women-owned enterprises in Karatina town, Nyeri county Kenya and conceptual framework that shows the relationship that exist between the independent and dependent variables.

#### **2.2 Performance of Women Enterprise Development**

United Nations Decade for women (1976-1985) is one of the motivations around the globe in developing countries.

In the 1980s, research was carried out to establish ways of involving women in development policies and projects. This was based on access to finance by women, training on land issues, training on business management skills, and other productive issues which were to be enhanced to ensure full participation of women in economic development. The research indicated that the negative attitudes towards women in patriarchal societies hindered the participation of women in economic development of their nations. According to Stevenson and St-Onge (2005), societies perceive women as weak economically other than an untapped force that would impact positively on socio economic growth of their nations.

According to World Bank (2000) women felt marginalized as they are not allowed to make business decisions as they are not listened to by men and have no power in business. They believed they would grow economically if they got formal jobs where

they could earn a steady income. This led to agents putting in place various initiatives to solve the issues that hinder active involvement of women in economic production through entrepreneurial support and tapping into the potential for growth. These included International Finance Corporation (IFC), International Labour Organisation (ILO), African Development Bank (AfDB), the World Bank and more recently the Government of Kenya.

### **2.3 Women Entrepreneurs in Kenya**

In 1999, women run MSEs represented 47.7% (612,848) of the MSEs in Kenya with a 46.6% share in the labour force. The key sectors that women MSEs dominated included trade at 75%, manufacturing at 68%, leather and textiles at 67%, retail at 56% and entertainment at 55% and (Kenya National Bureau of Statistics, 1999).

According to ILO (2008), majority of the women entrepreneurs in Kenya are married (56%) and aged between 20 and 39 years (80%). Most of them are also educated with most having secondary education and above (36%). In MSEs owned by women, 86% of the workers were the owner operators; only 4% of their workers are hired; and 10% family members or apprentices. The men owned businesses employed more than 60% (1,414,650) of the workforce in the MSE sector as they mainly hired people other than operating the businesses themselves. The MSEs owned by women recorded lower income compared to those owned by men.

### **2.4 Socio-Economic Factors and Performance of Women Owned Enterprises**

For the purpose of this study, socio-economic factors are defined as those aspects that influence the performance of women owned enterprises in Karatina town in Nyeri County. These may be external in nature and beyond the control of the potential women

entrepreneur. Social and cultural factors include gender roles and cultural beliefs about the women involved in business/entrepreneurial activities while the economic factors include the collateral for women to access funds, women access to funds and management skills and capacity for the women to manage a business. These socio-economic factors do affect the growth and sustainability of women-owned enterprises and tend to limit their growth by confining them in terms of scale and scope of operation. Due to the social and cultural beliefs, people tend to expect more competent enterprise performances from people with the more valued state of the characteristic (men) compared to those with the less valued state (women) (Correll & Ridgeway 2003; Ridgeway 1993; Wagner & Berger,1997).

Religious, socio-cultural and economic factors have been found to influence enterprise development. The market forces, macro and economic factors and societies affect businesses owned by women businesses differently. These affect these businesses by creating awareness, develop business ownership, provide information on the best business venture, location of business and how to run the business (Goheer, 2003).

#### **2.4.1 Family Responsibilities and Performance of Women Owned Enterprises**

Culture is the mindset of a society that creates a difference among categories and groups of people (Hofstede, 2003). It is also the common identities, motives, beliefs, interpretations, values or meanings of events based on shared experiences among group members. This is transmitted across generations (House et al., 2001). Therefore, entrepreneurial culture is the shared values and preferences of the group that affect the chances of an individual becoming an entrepreneur. Gender analysis has shown that

women can only be independent, self-confident and self-governing in their economic activities if there are no cultural restrictions holding them back (Chitsike, 2000).

Scholars suggested that the cultural behaviour of a society creates discrimination and restriction of women entrepreneurs which leads to society opposing running or owning business. Women are mainly expected to take family roles other than business. Such cultural negativity lead to lack of confidence and independence amongst women entrepreneurs which limits the performance of women owned firms.

Masculinity is a cultural dimension relating to learned behaviors stereotyped as to apply to men and women. This is measured based on actions of either asserting (Male) or nurturing (Women). This stereotype affects the experiences and intentions of women in entrepreneurship strongly (Gupta & Bhawe, 2007). For example, a woman experiences the assertive stereotype may fear showing entrepreneurial intentions.

Gender roles refer to the expected attitudes and behaviors a society associates with each sex. Gender roles vary within a society and over time. Gender roles hinder entrepreneurial development in society. This is due to the conflict between family and business demands. In Kenya, women should give priority to the family role with business coming later. The family demands are so high that make women businesses to suffer due to neglect hence affecting the performance of the women owned enterprises.

For the cases where the women entrepreneurs are married, they are required to fully take care of their families in terms of commitment and time while the unmarried are still required to give time to their homes. Women experience conflict when they are unable to resolve the pressures from their dual roles as business women and family members. This

patriarchal society compels women to take up the entire burden of family responsibilities on their shoulders (Leicht, 2000).

Ahmad et al (2011) notes that the burden created by both family and business limits women exploration for business opportunities. Family obligations/needs are satisfied through resources garnered from the business since as most women do not separate business from personal finances and this tends to drain income and savings from the business which would be used in the growth and expansion of an enterprise. Due to the multiple family responsibilities, the women entrepreneurs are subjected to, Common wealth secretariat (2002) adds that women are overwhelmed with looking after their families and may not be able to take advantage when business training is available.

From comparative studies, women will start their business at a much older age than their counterparts' men since they already have children and family (Zororo, 2011) and due this thus women entrepreneurs lack mobility because of their household responsibilities and inability to travel alone which hinders them to be efficient in the management of their businesses thus poor performance is depicted in their enterprises. In Kenya, rural women are driven by the need to take care of their families' other than by profits.

#### **2.4.2 Access to Finance and Performance of Women Owned Enterprises**

Financial assistance either from a financial institution or savings is vital for entrepreneurs to boost their enterprises. Starcher (2008) note that women in the developing countries have limited access to finance due to limited opportunities for money borrowing in the rural areas where majority of the women reside. Access to finance to start a business a key economic factor that influence the performance of women owned enterprises. Lack



collateral, negative perception by loan officers and the rejection of household items as security has made women have limited access to finance compared to men.

In Kenya, this problem is high due to unequal ownership of land (less than 1% of land is owned by men) which makes women unable to get loans from financial institutions. This makes women remain at the micro level of business. Women entrepreneurs are suffering from inadequate financial resources and working capital which leads to deterioration of their enterprises that affects performance, growth and sustainability of the entrepreneurial activities.

In Kenya, women entrepreneurs receive less than 10% of the loans in commercial banks (MahbubulHaq Human Development Center, 2000). Most women in rural Kenya lack collateral as a loan requirement to enable them secure bank loans. Women in Kenya have only 9% of the available credit despite the fact that they own nearly half of all MSMEs. With financing being conditional upon collateral, getting access to financing is out of reach for most women entrepreneurs (IFC GEM, Voices of women entrepreneurs in Kenya).

Few women have tangible security which most women entrepreneurs lack access to external funds often used as collateral by banks and other financial institutions. Additionally, these banks or financial institutions perceive that when women entrepreneurs are given loans they might close down the business and go back home as housewives hence default in repaying their loans and so they discourage women from accessing credit. Kenyan microfinance institutions offer loans that are limited in amount characterized with high interest rates, short repayment period with no grace period.

MSE entrepreneurs take loans that do not meet their financial needs with women taking short loans for both social and business needs (Women Entrepreneurs in Kenya, 2008). Studies have revealed that when women access credit, it is often in small amounts and is insufficient when it comes to satisfying their entrepreneurial needs. In addition, in developing countries there is poor rights enforcement which leads to unequal inheritance and poor access to resources. Stevenson and Jarillo (2003) noted that complicated loan process, collateral requirements and the high transaction costs limit the performance of women businesses. Access to finance is a key challenge to women entrepreneurs hindering the emergence and growth of their businesses.

#### **2.4.3 Management of Employees and Performance of Women Owned Enterprises**

It's quite a challenge for Kenyan women entrepreneurs to employ and retain employees who are good which is key to the success of a business enterprise. This is because most women-owned businesses tend to be smaller and are less likely to provide job security and retain good talent. With the multiple family responsibilities of women in the family, it is therefore difficult to keep up with the coordination of work at the business and managing the employees too. In non-traditional sectors, some women entrepreneurs have to work extra hard for their employees to respect to them who sometimes don't take women employers seriously (Athanne, 2011).

Buttner (2001) notes that women entrepreneurs use relational management styles. This involves empathy, nurturing, information sharing, mutual empowerment and collaboration. These management styles influence the performance of their businesses. According to Heffernan (2003), The management styles of women lead to long term

business success due to better communication amongst the parties involved in such businesses.

Some women entrepreneurs lack management skills which are due to the varying education levels which affects the performance of their own enterprises (Valencia, 2006). They lack the proper management skills to plan, organize, staff, coordinate and control for growth and sustainability of their enterprises to reach their full potential. Additionally, most women tend to be less educated than their male counterparts and in most cases possess less management skills to manage their businesses (Common wealth secretariat, 2002).

#### **2.4.4 Discrimination and Performance of Women Owned Enterprises**

Discrimination in this context will refer to the treatment or consideration of, in favor of or against, a person based on the sex of that person rather than on individual merit. As a recent ILO report states, “Discrimination in one form or another occurs in the world of work every day, throughout the world. At the same time, work is a privileged entry point from which to liberate society from discrimination. Literally millions of people in the world are denied jobs, confined to certain occupations or offered lower pay simply because of their sex, their religion or the colour of their skin, irrespective of their capabilities or the requirements of the job. At its worst, the discrimination that certain groups such as women face in the labour market makes them vulnerable to abuses” (ILO, 2003). This is the same labour market and world of work where women entrepreneurs have to operate, and they too experiences discrimination in many forms.

Moore and Buttner (1997) noted that women are discriminated based on salaries, evaluation on performance, training and promotions. In Kenya, women entrepreneurs are

discriminated by banks just because they are women. Women entrepreneurs approach banks for credit and are often ignored since banks prefer dealing with male business partners or husbands and this is some kind of discrimination women entrepreneurs are subjected to (IFC GEM, Voices of women entrepreneurs in Kenya). Basing on this fact, some women become discouraged when banks engage in gender biasness hence preventing many women from accessing loans and are demoralized and shy away from these financial institutions since they get so discouraged that they do not bother to seek bank financing but instead turn to informal saving groups.

In cases where land has been used as collateral in accessing credit from a bank, the owner of the land title has to provide consent from spouse and the bank shall be on the duty to inquire whether the spouse has consented the use of land during charge registration, this is a mandatory requirement by the Kenya Land laws (Anjarwalla & Khanna, 2012). For instance, if the owner of the title are women entrepreneurs, they might be disadvantaged when they are denied consent by their husbands thus end up not accessing credit from banks although the land is theirs. Marriage certificates and affidavit of spouse consent attested by commissioner for oaths are mandatory for land title to be used as collateral. Since most women rarely benefit from inherited property or land this meant that women won't access credit due to lack of title deeds as collateral.

As an entrepreneur, one has to become a risk taker though women in rural areas have been perceived to lack the risk-taking ability that they lack the assertiveness and self-confidence to engaging of a business. Male family members make decisions for women which inhibits the success of performance of the owned enterprises because the lack total control of their businesses.

## **2.5 Theoretical Framework**

In this section two of theories of entrepreneurship were discussed; namely the biological and sociological theories of entrepreneurship.

### **2.5.1 Biological Theory of Entrepreneurship**

From various practitioner literatures, there's emphasis on the gender differences in trying to explain these differences in entrepreneurship. Nonetheless, this theory indicates that changes in gender behavior is related to other social changes. Entrepreneurial activities involve taking of risks (Aldrich & Wiedenmeyer, 1993). The cognitive style of entrepreneurs differs with that of other people as they make cognitive errors especially overconfidence (Busenitz & Barney, 1997).

The biological theory of entrepreneurship stipulates that women fear taking risks which makes them weak entrepreneurs which lead to high chance of business failure within the first five years of operation. This is because taking risks drives business innovation and growth hence improved performance. Fewer women in comparison to men believe that there are lots of opportunities for entrepreneurship and that they have the capabilities for this endeavor but they are more affected by the fear of failure which inhibits the growth and sustainability of a business (GEM Women's report, 2010).

Powell and Ansic (1997) indicate that women are lesser risk takers compared to men especially financial risks. Women fear taking the risk of financial leverage which leads to very few women taking loans and prefer personal financing for business financing which makes women shy away from very risky businesses. This is evident in Kenya where women are more comfortable to finance their businesses through Saccos and friends as they fear taking the risk of borrowing from banks (Stolze, 1995). Scollard (1995)

suggests that men build businesses of all sizes, but most women build only very small businesses, with a few building large firms due to the fear of risk. The biological perspective of entrepreneurship involves a psychological satisfaction and differences in behaviors in their exhibited by different gender in their endeavors as entrepreneurs.

### **2.5.2 Sociological Theories of Entrepreneurship**

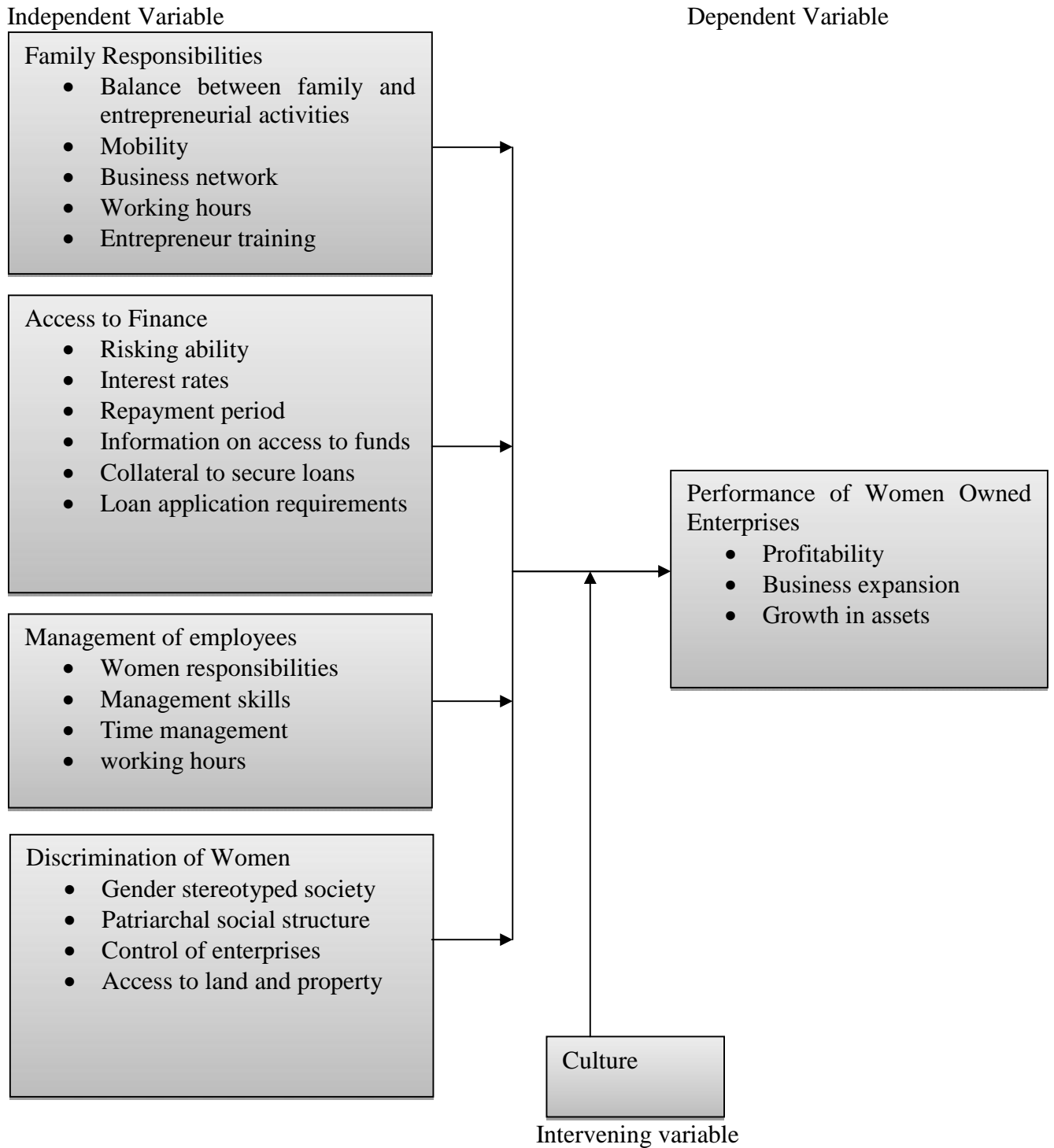
More recent studies have addressed the influence of gender based differences have on entrepreneurship from what is termed as integrated perspective. According to this perspective, women social orientations are more focused towards relationships that include family, community and business (Brush, 1992). It focuses on gender differences in entrepreneurial characteristics and performance from the perspective of liberal feminist and social feminist theories which attempt to explain the basis of the lower status of women in the society (Fischer et al 1993).

Sociologists indicate that gender involves cultural values, resources, behavioural changes, identities and roles (Ridgeway & Correll, 2004). Despite gender elements reinforcing each other they lead to gender inequality through shared cultural beliefs. These beliefs define the competence of men and women in business. Entrepreneurial enterprises are clearly social entities which involve a choice whether to or not to share ownership with others in the founding process that is how an enterprise is started and whether others are recruited to join the effort can have lasting consequences for its performance and survival.

Entrepreneurship has a mental agreement with a mutual relationship where individuals come together to form a business with a financial interest. The formation of teams ensures shared responsibility in decision making and other psychological benefits.

## 2.6 Conceptual Framework

Figure 2.1 represents the conceptual framework of the variables used in this study.



**Figure 2.1: Conceptual Framework**

The study considered indicators under the variables as follows; under dependent variable (performance on women owned enterprises) indicators were profitability, business expansion and growth in assets of the women owned enterprises.

Under the independent variable family responsibilities the indicators were balance between family and entrepreneurial activities, mobility, business network, working hours, entrepreneur training. Under access of finance the indicators used were risking ability, interest rates, repayment period, information on access to funds, collateral to secure loans and loan application requirements. For management of employees, the indicators were women responsibilities, management skills, time management and working hours. Under discrimination of women entrepreneurs, indicators were gender stereotyped society, patriarchal social structure, control of enterprises and access to land and property. The intervening variable was culture.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

In this chapter, research methodology used in this will be discussed. This chapter describes the research design, target population, data collection instruments, data collection procedures and finally data analysis.

#### **3.2 Research Design**

A descriptive survey was used for the study. The research design was deemed appropriate research design for this study in that it sought to acquire data describing an existing phenomenon based on individual attitude, values, perceptions or behaviour.

The design was relevant in determining the influence of socio-economic factors on the performance of women owned enterprises in Karatina town Nyeri county Kenya. The study qualified as descriptive since it sought to portray the phenomenon through describing the socio-economic factors and their influence on the performance of women enterprises.

#### **3.3 Target Population**

The study targeted women entrepreneurs who own enterprises in Karatina town in Nyeri County. According to Karatina municipality records there are 500 women owned enterprises registered which was used as a target population used in this research study of 150 out of 500 women entrepreneurs. The characteristics of the target population included only the women who owned enterprises under the categories of micro, small and medium enterprises in Karatina Town.

### 3.4 Sample Size

According to Cooper and Schindler (2008), a sample of more than 10% of the target population is representative based on collected data. 150 women entrepreneurs were selected for the study hence giving a sample of 150 respondents for this study.

### 3.5 Sampling Procedure

Stratified random sampling technique was used to select the sample. This is applied in a population that is heterogeneous whereby the population consists of various categories (strata) and in selecting sample units, the sample must consist of proportional sizes of categories similar to the population categories.

The population was stratified whereby all women owned enterprises in Karatina Town were grouped into three groups: Micro enterprises, Small enterprises and Medium enterprises. Then from each stratum simple random sampling was used to select the women. The table 3.1 was used to group women owned enterprises in Karatina Town.

**Table 3.1: Categories of Women-Owned Enterprises in Karatina Town**

Type Of Enterprise	Annual Turnover Limit
Micro Enterprise	Not exceeding Kshs. 100,000/=
Small Enterprise	Between 100,000 to 1M
Medium enterprise	Between 1M to 5M

30% of the target population was sampled using stratified random sampling. This gave each element of the strata an equal chance to be selected for the study.

The selection was as follows.

Formulae;

Sample = 30% of x + 30% of y + 30% of z.

Let,

x = Micro enterprises

y = Small enterprises

z = Medium enterprises

**Table 3.2: Sample Size**

---

Micro enterprises	250	30	75	Selected 75 at random from 250
Small enterprises	150	30	45	Selected 45 at random from 150
Medium enterprises	100	30	30	Selected 30 at random from 100
Total	500	30	150	

---

### **3.6 Data Collection**

This covers the research instruments, its validity and reliability, data collection techniques and data analysis.

#### **3.6.1 Research Instruments**

The study made use of questionnaires which had set of questions both open and closed ended questions. These questions were structured from the objectives of this study. The questionnaire likert questions using a 1-5 scale from strongly agree, agree, neutral, disagree, to strong disagree. The data was collected with the assistance of two research assistants who were trained by the researcher. A set of 150 questionnaires will be issued to selected women in women owned enterprises. The two research assistants assisted the

respondents to understand the questions and answer them correctly. A questionnaire was preferred as it enables a researcher to collect more and detailed information compared to interviews. They are also easy to administer and analyse. The questionnaire was designed to collect qualitative and quantitative data.

#### **3.6.1.1 Instruments Validity**

Validity is the ability of an instrument to measure what it ought to measure (Kombo & Tromp, 2009). This study ensured that validity was achieved whereby the questionnaires were carefully formulated to ensure there was consistency. For example, the question that required the respondent to state her age was formulated by putting age in ranges so that it was easy for a respondent to give an accurate range in which she belonged other than the respondent is asked directly to give her actual age which would be easier for her to lie.

#### **3.6.1.2 Instruments Reliability**

Reliability measure the consistency of data collected by a research instrument (Kombo & tromp, 2009). In this study, reliability was achieved by also interviewing their employees just to confirm on the responses given by the women enterprise owners themselves. Cronbach's Alpha was used to measure the reliability of the questionnaire. An alpha value of 0.7 is recommended by Nunnally (1978). An alpha value was established for every variable to check on consistency of results on the same.

#### **3.6.2 Pilot Test**

A pilot study was carried out to ensure that the questions were relevant. This involved 5 women enterprises in Karatina town. The questionnaires were hand delivered and self-administered. The questionnaires were left with the respondents and collected after 2

days. The questionnaires were re-administered after a week after to check for reliability. Neither the results nor the sample of the pilot test were included in the actual study.

### **3.6.3 Data Collection**

This used self-administered questionnaires. The questionnaires were administered by distributing questionnaires by hand to the women entrepreneurs and later picked up after they are done filling them. A cover letter from the University of Nairobi was taken along with the research instrument. The respondents were assured of confidentiality and were used purely for academic purposes. Each research instrument was coded and only the researcher had the knowledge on which person responded.

### **3.6.4 Data Analysis**

After data collection, coding was done after which the data was entered and cleaned for analysis. The quantitative data was analyzed using Statistical Package of Social Science (SPSS). Both descriptive and inferential statistics was used in the analysis of the quantitative data. Descriptive analysis involved the use of mean, standard deviation, frequencies and percentages.

Inferential statistics involved both correlation and multiple regression analysis. The Correlation analysis was done to establish the relationship between the variables. This involved the use of Pearson's product moment correlation co-efficient,  $r$ . Multiple regression equation will take the form of;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \dots$$

Y is the performance of women owned enterprises

$X_1$  is family responsibilities

$X_2$  is access to finance

X3 is management of employees

X4 is discrimination of women

is the error term

The data was presented in form of tables. Qualitative analysis was also done through content analysis. This involved the grouping of the data into themes. The findings from this data was presented in prose form.

### **3.7 Ethical Consideration**

Confidentiality was maintained with respondents given a free will to contribute and participate in the study. In addition, permission was sought from the relevant authorities like the university and local administration before the study was conducted.

### **3.8 Operational Definition of Variables**

Table 3.3 shows operational definition of variables.

**Table 3.3: Operationalization of Variables**

Research Objective	Type of Variable	Indicators	Level Of Scale	Type of Analysis	Data Collection Instruments
To establish the influence of family responsibilities on the performance women owned enterprises in Karatina town Nyeri County, Kenya.	Family responsibilities	<ul style="list-style-type: none"> <li>• Balance between family and entrepreneurial activities</li> <li>• Mobility</li> <li>• Business networks</li> <li>• Working hours</li> <li>• Entrepreneur training</li> </ul>	Ordinal Ratio	Descriptive analysis	Questionnaires
To assess the influence of access to finance on the performance of women owned enterprises in Karatina town Nyeri County, Kenya.	Access to finance	<ul style="list-style-type: none"> <li>• Risk taking ability</li> <li>• Information on access to funds</li> <li>• Collateral to secure loans</li> <li>• Loan requirements</li> </ul>	Ordinal Ratio	Descriptive analysis	Questionnaires
To establish the influence of management of employees by the women entrepreneurs' on the performance of women owned enterprises in Karatina town Nyeri County, Kenya.	Management of employees	<ul style="list-style-type: none"> <li>• Multiple responsibilities</li> <li>• Management skills</li> <li>• Time management</li> <li>• Working hours</li> </ul>	Ordinal Ratio	Descriptive Analysis	Questionnaires
To find out the influence of discrimination of women entrepreneurs on the performance women owned enterprises in Karatina town Nyeri County, Kenya.	Discrimination of women entrepreneurs	<ul style="list-style-type: none"> <li>• Gender balance</li> <li>• Patriarchal social structure</li> <li>• Control of enterprises</li> <li>• Access land and property ownership</li> </ul>	Ordinal Ratio	Descriptive analysis	Questionnaires

Source: Researcher (2017)

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

Here the data was analyzed, presented and interpreted based on the objectives of the study. The analyzed data was presented using tables and later interpretation was done. The study sought to assess the influence of socio-economic factors on the performance of women owned enterprises in Karatina town of Nyeri County, Kenya. The study targeted 150 women entrepreneurs who were given questionnaires during data collection.

#### 4.2 Questionnaire Return Rate

In this study, a questionnaire was utilized that contained both closed and open-ended questions to the women entrepreneurs in Karatina town. The questionnaires targeted all women entrepreneurs who owned enterprises in Karatina town. The study sampled 150 women entrepreneurs who were issued with questionnaires. Completed questionnaires were received from 138 out of 150 respondents of the targeted population which made a 92% questionnaire return rate.

**Table 4.4: Questionnaire Response Rate**

Questionnaire	Frequency	Percentage
Filled and returned	138	92.0
Not returned	12	8.0
Total	150	100.0

#### 4.3 Respondents' Profile

Karatina town is located within Mathira East sub county, Nyeri County. It has 500 women owned enterprises from the micro, small and medium categories of enterprises and a sample of 150 was drawn and used in this study.



**Table 4.5: Summary of Age of the Respondents**

Age	Frequency	Percentage
18-25	12	8.7
26-35	21	15.2
36-45	35	25.4
46-55	44	31.9
56 and above	26	18.8
Total	138	100.0

From table 4.5, 31.9% of the respondents indicated their age as 46-55 years, 36-45 years at 25.4%, 26-35 years at 15.2% and those aged 56 years and above at 18.8% whereas 18-25 years at 8.7%. This shows that most women entrepreneurs in Karatina town are aged above 35 years. This is the most productive group with fewer family responsibilities since they are done with child bearing which mostly demand their total attention. At this moment, the children are at school and the women entrepreneurs operate their businesses while the children are at school during the day. This makes it easier and flexible for them to manage business operations. It is also in the same age bracket that most women start businesses and at this point they have raised some capital either through the support from their husbands and other sources.

**Table 4.6: Summary of Age of Women Owned Enterprises**

Age	Frequency	Percentage
Below 2 years	27	19.6
3-5years	65	47.1
6 years and above	46	33.3
Total	138	100.0

The study sought to establish the age of the businesses run and owned by women in Karatina. From the study findings 47.1% of the respondents indicated that their

businesses were aged 3-5years, 33.3% indicated 6 years and above while 19.6% indicated below 2 years. This is an indication that the age of businesses run and owned by women in Karatina are more than 3 years old. This is an indication that women owned enterprises haven't been in operation long enough that meant either the influence of socio- economic factors on performance was evident in terms of challenges from accessing funds or family responsibilities getting in their way where they have to raise their children first before embarking fully on running their businesses.

**Table 4.7: Summary of Respondents' Level of Education**

Level	Frequency	Percentage
Primary school	11	8.0
Secondary School	92	66.7
Diploma and above	35	25.4
Total	138	100.0

From the table 4.7, 66.7% indicated their highest level of education as secondary, 25.4% indicated diploma and above whereas 8% indicated primary. These findings deduce that most of the women entrepreneurs start business when they fail to advance their education past secondary school. According to the research, an indication that there exists influence of socio economic factors on the performance of women enterprises on that still need to be addressed. Some women entrepreneurs lack management skills which are due to the varying education levels which affects the performance of their own enterprises. They lack the proper management skills to plan, organize, staff, coordinate and control for growth and sustainability of their enterprises to reach their full potential.

**Table 4.8: Summary of Marital Status of Respondents**

Status	Frequency	Percentage
Married	60	43.5
Single	27	19.6
Divorced	25	18.1
Separated	16	11.6
Widowed	10	7.2
Total	138	100.0

On the marital status, table 4.8 shows that 43.5% of the respondents were married, 19.6% were divorced, 18.1% were single, 11.6% were separated whereas 7.2% were widowed. This is an indication that majority of the women entrepreneurs in Karatina are married hence they were much advantaged having their husbands' support in the running of their enterprises and also benefitted from access to finance from financial institutions due to the provision of collateral owned by their husbands.

#### **4.4 Family Responsibilities**

The study sought to establish the agreement on statements of family responsibilities and the performance of women owned enterprises in Karatina town. The findings are presented in table 4.9. The table shows that the respondents agreed that there is a poor balance between family and business responsibilities which are too demanding which influences the performance of women owned enterprises reflected in a mean of 4.14. The respondents further agreed those women entrepreneurs lack time to explore available entrepreneurial training opportunities due to the multiple family responsibilities as shown by mean of 4.08 and that women entrepreneurs find it challenging to run both their businesses and families indicated by mean of 4.00. Finally, it was agreed that women entrepreneurs lack mobility hence have less powerful business networks compared to

their male counterparts as shown by mean of 3.99. This is an indication that family responsibilities have affected the performance of businesses owned by women in Karatina town.

**Table 4.9: Summary of responses on influence of Family Responsibilities on Performance of Women owned Enterprises**

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Women entrepreneurs find it challenging to run both their businesses and families	138	1	5	4.00	0.345
There is a poor balance between family and business responsibilities which are too demanding which influences the performance of women owned enterprises	138	1	5	4.14	0.318
Women entrepreneurs lack time to explore available entrepreneurial training opportunities due to the multiple family responsibilities	138	1	5	4.08	0.562
Women entrepreneurs lack mobility hence have less powerful business networks compared to their male counterparts	138	2	5	3.99	0.828

#### 4.5 Access to Finance

Findings are presented in table 4.10, 4.11 and 4.12 presents findings on statements relating to access to finance on the performance of women owned enterprises in Karatina town. Table 4.10 presents the findings on whether the respondents had borrowed from financial institutions. Table 4.10 shows that 45.7% of the respondents had borrowed from financial institutions while 54.3% hadn't borrowed. This is an indication that majority of the female business owners in Karatina town haven't borrowed from financial institutions.

**Table 4.10: Summary of Responses of Respondents Borrowing from a Financial Institution**

Opinion	Frequency	Percentage
Yes	63	45.7
No	75	54.3
Total	138	100.0

Table 4.11 shows the findings on the frequency of borrowing from financial institutions by female business owners in Karatina town. The table indicates that majority of the respondents indicated that they had borrowed from financial institutions once. However, 29.7% indicated that they rarely borrowed, 17.4% borrowed often while 12.3% had never borrowed from a financial institution. This is an indication that women owning businesses in Karatina town despite borrowing from financial institutions the frequency at which they borrow is low. This may be due to the conditions set by the institutions for business owners.

**Table 4.11: Summary of Responses on Frequency of Borrowing from Financial Institutions**

Frequency of Borrowing	Frequency	Percentage
Often	24	17.4
Rarely	41	29.7
Once	56	40.6
Never	17	12.3
Total	138	100.0

Table 4.12 tabulates findings on agreement on statements relating to access to finance and performance of women owned enterprises in Karatina town. The table shows that the respondents agreed that women entrepreneurs feared taking long term loans reflected by mean of 3.87, banks offered high interests with short term repayment period as shown by the mean of 3.84 and that financial institutions required too many loan requirements and involve long procedures in order to apply for a loan facility indicated by mean of 3.80. Women entrepreneurs were found to lack collateral to secure loans from financial institutions reflected in the mean of 3.71 and that women entrepreneurs' lacked access to external funds due to their inability to provide security as shown by mean of 3.57. They also agreed that women entrepreneurs had the necessary information about access to funds reflected in the mean of 3.56. This is an indication that access to finance influences the performance of women owned businesses in Karatina town.

**Table 4.12: Summary of responses on influence of Access to Finance on Performance of Women Owned Enterprises**

Statements	N	Minimum	Maximum	Mean	Std. Deviation
Women entrepreneurs fear taking long term loans	138	1.0	5.0	3.87	0.366
Banks offer high interests with short term repayment period	138	1	5	3.84	0.352
Women entrepreneurs have the necessary information about access to funds	138	2	5	3.56	0.959
Women entrepreneurs lack collateral to secure loans from financial institutions	138	1	5	3.71	0.457
Financial institutions require too many loan requirements and involve long procedures in order to apply for a loan facility	138	1	5	3.80	0.398
Women entrepreneurs lack access to external funds due to their inability to provide security	138	1	5	3.57	0.255

#### **4.6 Management of Employees**

Findings on statements relating to management of employees and performance of women owned enterprises in Karatina town in table 4.13 show that the respondents agreed that women entrepreneurs had multiple family responsibilities which hinder them to coordinate with staff in their enterprises as shown by a mean of 4.36. It was also agreed that women entrepreneurs had low-level management skills and depended on their staff and intermediaries to get things done especially in marketing and sales side of business as indicated by the mean of 4.30 and that multiple family responsibilities of women entrepreneurs hinder them time to manage employees in their enterprises indicated by mean of 4.08. Finally, it was agreed that multiple family responsibilities of women

entrepreneurs' demand most of their time hence they end up having few working hours reflected in the mean of 4.02. This is an indication that management of employees is a key factor that influence performance of women owned businesses in Karatina town.

**Table 4.13: Summary of Responses on Influence of Management of Employees on performance of Women Owned Enterprises**

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Women entrepreneurs have low-level management skills they have to depend on their staff and intermediaries to get things done especially in marketing and sales side of business.	138	2	5	4.30	0.964
Women have multiple family responsibilities which hinder them to coordinate with staff in their enterprises	138	2	5	4.36	0.875
Multiple family responsibilities of women entrepreneurs hinder them time to manage employees in their enterprises	138	1	5	4.08	0.453
Multiple family responsibilities of women entrepreneurs' demand most of their time hence they end up having few working hours	138	2	5	4.02	.934

#### **4.7 Discrimination of Women Entrepreneurs**

The findings presented in table 4.14 relates to access to finance and performance of women owned enterprises in Karatina town. It was found that respondents agreed that women entrepreneurs were restricted from owning fixed assets such as land and buildings



reflected in the mean of 4.36, women networks are more personal in nature and are not usually leveraged for business purposes reflected by mean of 4.28, women were more likely to be in retail enterprises where banks were less apt to approve for credit financing with mean of 4.25 and that gender stereotyped society perceived that women lacked self-confidence and assertiveness to run a business with mean of 4.21. They also agreed that women entrepreneurs lack total control of their enterprises as shown by mean of 4.08, traditional sectors of women business activities were often not asset based with mean of 4.07 and that women owned enterprises underperform compared to men owned enterprises in terms of either survival or profitability with mean of 4.06. They agreed that women owned enterprises usually concentrated in industries and sectors that were crowded, less productive and less profitable reflected in the mean of 3.99, in the case of land titles used as collaterals, affidavit of spouse consent is required with mean of 3.96, women owned enterprises employs few people in addition to the owner as reflected in the mean of 3.77, women do not have the same opportunities for full time wage employment, and therefore have more limited capacities for savings accumulation than men as reflected in the mean of 3.69, and that women entrepreneurs depend on husbands for decision making for their enterprises with mean of 3.64. Finally, they agreed that banks prefer dealing with men or husbands to women entrepreneurs in the loan application process as shown by mean of 3.55. This shows that discrimination of women entrepreneurs influences the performance of women owned businesses in Karatina town.

**Table 4.14: Summary of Responses on Influence of Discrimination of Women Entrepreneurs on Performance of Women Owned Enterprises**

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Banks prefer dealing with men or husbands to women entrepreneurs in the loan application process	138	1	5	3.55	1.215
Women entrepreneurs depend on husbands for decision making for their enterprises	138	1	5	3.64	1.189
Women entrepreneurs lack total control of their enterprises	138	1	5	4.08	0.769
Gender stereotyped society perceives that women lack self-confidence and assertiveness to run a business	138	1	5	4.21	0.768
In the case of land titles used as collaterals, affidavit of spouse consent is required	138	1	5	3.96	0.987
Women networks are more personal in nature and are not usually leveraged for business purposes	138	2	5	4.28	0.928
Women owned enterprises underperform compared to men owned enterprises in terms of either survival or profitability	138	2	5	4.06	0.762
Women are more likely to be in retail enterprises where banks are less apt to approve for credit financing	138	2	5	4.25	0.878
Women owned enterprises employs few people in addition to the owner	138	2	5	3.77	0.832
Women entrepreneurs are restricted from owning fixed assets such as land and buildings	138	2	5	4.36	0.904

#### 4.8 Regression analysis

The effect of the predictor variables was tested using regression analysis. From the regression analysis, the study established that family responsibilities, access to finance, management of employees and discrimination of women significantly affected the performance of women owned enterprises. From table 4.15, adjusted R squared was 0.517 meaning that there was a variation of 51.7% on performance of women owned enterprises due to changes in family responsibilities, access to finance, management of employees and discrimination of women at the 95% confidence level. Based on R which reflects the relationship between the study variables, there was a strong positive relationship between the study variables as shown by 0.739.

**Table 4.15: Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.739 <sup>a</sup>	.546	.517	.76156

a. Predictors: (Constant), family responsibilities, access to finance, management of employees, discrimination of women

From the ANOVA statistics, the processed data had a significance level of 0.000 which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value=0.007) is less than 5%. The F calculated (5.444) is greater than the F critical (2.46) showing that the overall model was significant. This shows that family responsibilities, access to finance, management of employees and discrimination of women influence the performance of women owned enterprises.

**Table 4.16: Anova table**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.128	4	6.282	5.444	.007 <sup>a</sup>
	Residual	67.864	133	14.149		
	Total	92.992	137			

a. Predictors:(Constant), family responsibilities, access to finance, management of employees, discrimination of women

b. Dependent Variable: Performance of women owned enterprises

Table 4.16 establishes a regression equation;

$$Y = 6.533 - 0.324X_1 + 0.517X_2 + 0.287X_3 - 0.356X_4$$

From the equation, holding family responsibilities, access to finance, management of employees and discrimination of women to a constant zero, performance of women owned enterprises would be at 6.553. A unit increase in family responsibilities leads to decreased performance by 0.324, unit increase in access to finance leads to increased performance by 0.517, unit increase in management of employees leads to increased performance by 0.287 and a unit increase in the discrimination of women entrepreneurs leads to decreased performance by 0.356. All the variables were found to be significant ( $p < 0.05$ ) at the 95% confidence level.

**Table 4.17: Regression Coefficients**

Coefficients <sup>a</sup>						
Model		Unstandardized		Standardized		
		Coefficients		Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	6.533	0.651		10.0353	0.000
	Family responsibilities	-0.324	0.098	0.223	-3.3061	0.034
	Access to finance	0.517	0.145	0.133	3.5655	0.016
	Management of employees	0.287	0.071	0.178	4.0422	0.008
	Discrimination of women	-0.356	0.113	-0.168	-3.1504	0.041

a. Dependent Variable: Performance of women owned enterprises

#### 4.9 Correlation Analysis

In order to establish the relationship between variables, correlation analysis was conducted. From table 4.18, a negative correlation was found between family responsibilities and performance of women owned enterprises as shown by coefficient of -0.591. This indicates that with the increase in the family responsibilities, there will be decrease in performance in the women owned enterprises since the women entrepreneurs will have to attend to the family responsibilities that are deemed to have a high priority hence being absent at their businesses thus negative influence on the performance of their businesses.

A positive relationship was established between access to finance and performance of women owned enterprises (correlation coefficient = 0.780) and management of employees (correlation coefficient = 0.401). This indicates that with an increase in the access to finance and improved management of employees, women entrepreneurs would run their business better in terms of financing and managing their businesses better thus

improvement in performance of their businesses. However, discrimination of women entrepreneurs and performance of women owned enterprises displayed a negative relationship as shown by coefficient of -0.396. The relationship between the variables was significant at the 0.01 significance level.

**Table 4.18: Correlation Coefficients**

Variables		Performance	Family responsibilities	Access to finance	Management of employees	Discrimination of women entrepreneurs
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	138				
Family responsibilities	Pearson Correlation	-.561**	1			
	Sig. (2-tailed)	.004				
	N	138	138			
Access to finance	Pearson Correlation	.780**	-.213	1		
	Sig. (2-tailed)	.000	.187			
	N	138	138	138		
Management of Employees	Pearson Correlation	.401**	-.116	.081	1	
	Sig. (2-tailed)	.009	.282	.454		
	N	138	138	138	138	
Discrimination of Women Entrepreneurs	Pearson Correlation	-.396**	.086	-.146	-.047	1
	Sig. (2-tailed)	.000	.316	.244	.585	
	N	138	138	138	138	138

\*\* . Correlation is significant at the 0.01 level (2-tailed)

## **CHAPTER FIVE**

### **SUMMARY, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

From the analysis of the data collected, this chapter presents summary of findings, conclusions and recommendations that were made.

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

In summary, the study utilized a questionnaire that had set of questions that were administered to specifically women entrepreneurs who owned businesses. A sample of 150 women entrepreneurs were targeted of which 138 were filled and returned making a response rate of 92%. The respondents were sampled from micro, small and medium enterprises. The findings revealed that most women entrepreneurs who owned businesses were married which signified that they were privileged to get funds from the banks hence have an upper hand than their single women entrepreneurs. The study showed that family responsibilities, access to finance, management of employees and discrimination of women entrepreneurs are among the socio-economic factors that influence the performance of these women owned enterprises in Karatina town, Nyeri County, Kenya.

#### **5.3 Discussions of the Findings**

##### **5.3.1 Family Responsibilities and Performance of Women Owned Enterprises.**

The study found out that women entrepreneurs find it challenging to run their businesses due to the multiple family responsibilities and lack of mobility which leads to limited business networks thus negative influence on performance of women owned enterprises. The respondents agreed that they lack time to explore available entrepreneurial training opportunities due to the multiple family responsibilities and that they also find it

challenging to run both their businesses and families. The respondents agreed that there is a poor balance between family and business responsibilities which are too demanding which influences the performance of women owned enterprises. This concurs with Ahmad et al (2011) who stated 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.

From the findings, it was established that most of the respondents were aged 46-55 years. This showed that most women entrepreneurs in Karatina town are aged above 35 years. This is the most productive group with fewer family responsibilities since they are done with child bearing that mostly demands their total attention. At this age range, the children are at school and the women entrepreneurs can operate their businesses with few family responsibilities. This makes it easier and flexible for them to manage business operations. It was also noted that it is in the same age bracket that most women start businesses and at this point they have raised some capital either through the support from their husbands and other sources.

From the findings most of the respondents indicated that their businesses were aged 3-5 years. This is an indication that the age of businesses run and owned by women in Karatina are more than 3 years old. This meant that women owned enterprises haven't been in operation long enough since family responsibilities got in their way where they had to raise their children first before fully embarking on running their businesses. This is backed by comparative studies which showed that women start businesses at an older age than men, since they already have family and children (Zororo, 2011) thus women entrepreneurs lack mobility owing to their household responsibilities or their inability to



travel alone which hinders them to be efficient in the management of their businesses thus poor performance is depicted in their enterprises.

The research found that most women entrepreneurs are hindered by the multiple family responsibilities which take most of their time hence they are left with few working hours to run their businesses. For a business to be successful, it needs total commitment of the entrepreneur to ensure that the business activities run smoothly to nurture the growth of the business (Wagner & Berger, 1997). That is why time it is the most important factor to be considered in order to enhance the performance of a business this will have to be achieved by ensuring a business will be opened and closed at stipulated time every day to ensure consistency and reliability to customers. These multiple family activities also demand most of their time hence end up having few working hours to manage their businesses which affect the performance of business and also its growth is hindered operations (Gupta & Bhawe, 2007).

### **5.3.2 Access to Finance and Performance of Women Owned Enterprises.**

Most of the respondents had borrowed from financial institutions but not often due to the conditions for accessing loans set by the financial institutions. The respondents were found to strongly agree that women entrepreneurs fear taking long term loans due to long procedures and inability to provide security for loans from financial institutions. Women entrepreneurs lack collateral which limits access to external funds despite the availability of funding information.

The study further found out that 43.5% of the respondents indicated that they were married. The married are much advantaged having their husbands' support in the running of their enterprises and also benefitted from access to finance from financial institutions

with provision of collateral owned by their husbands. Access to finance particularly for starting and running an enterprise is one of the major economic factor that influence the performance of women owned enterprises. Goheer (2003) further agreed that the failure of women entrepreneurs to access funds hinders the performance women entrepreneurs in running their businesses effectively. From the study, it found out that majority of the respondents had never borrowed which meant that are either not informed on how to access funds, or the financial institutions require too many loan requirements to access a loan facility, or these financial institutions offer high interests rates with a short repayment period that scare the women from borrowing the loans, or women entrepreneurs lack collateral or tangible security to secure loans.

The findings established that most respondents agreed that women entrepreneurs feared taking long term loans, banks offered high interests with short term repayment period, and that financial institutions required too many loan requirements and involved long procedures in order to apply for a loan facility. The respondents further agreed that women entrepreneurs lacked collateral to secure loans from financial institutions as they lack access to external funds due to their inability to provide security.

The study also showed that on the frequency of borrowing from financial institutions, majority of the respondents indicated that they had borrowed from financial institutions once. This showed that women owning businesses in Karatina town despite borrowing from financial institutions the frequency at which they borrow is low. This may be due to the conditions set by the institutions for women business owners. This concurs with Starcher (2008) who stated that women in developing nations have little access to funds due to the fact that they are concentrated in poor rural communities with few

opportunities to borrow money. Further studies have revealed that with financing being conditional upon collateral, getting access to funds is out of reach for most women entrepreneurs (IFC GEM, Voices of Women entrepreneurs in Kenya).

The government of Kenya has tried to cater for women entrepreneur's financial needs by launching of the first Women Enterprise Fund Strategic Plan covering the period 2009 – 2012. The government disbursed funds through financial institutions such as Kenya Industrial Estates (KIE) and banks to cater for the women and youths which offered. During that period the women and young entrepreneurs benefited from this product with an affordable interest rate of 8%. It was reported that these loans were poorly repaid with some of these entrepreneurs not repaying their loans at all having the thought that the government gave out free money. This initiative went down due to many outstanding loans remain pending since it was difficult to trace the loanees due to lack of collateral which would have pegged them to repay the loan. Financial institutions such as Kenya Industrial Estates (KIE) pulled out from offering the women enterprise fund and youth enterprise product due to poor repayment history while the banks had an upper hand that they would give out to their customers who had running bank accounts. As a result of the poor repayment of the product that was launched by the government, this made the financial institutions to offer their own loan products with higher interest rates to recover the previous outstanding debt from the poorly repaid loan.

In 2014 Uwezo fund was launched with the effort of the government of Kenya towards promoting and empowering the women. With the Uwezo fund, these funds were handed over to various constituencies in order to reach out to the women, youth and persons with disability. This was not well achieved due to interference with politics at the constituency

level; the funds were not utilized as intended due to corruption unfair distribution of these funds. The researcher recommends that the government should set more policies on how these funds (Women Enterprise funds and Uwezo funds) would reach the intended users ensuring fair distribution is achieved without discrimination based on who is known to the disbursing office/ politician and also strict rules are put in place to wade off any embezzlers and frequent audits done to monitor the usage of these funds.

It was found out that most women entrepreneurs have organized themselves into groups and do group guarantees through Saccos where they contribute their shares on monthly basis and they are able to co guarantee each other and request loans from the Saccos. But this has had challenges too; some defaulted after being guaranteed by their group members thus subjecting the guarantors to repay from their shares. This made it difficult for them to co guarantee each other due to lack of trust amongst themselves so they opt for saving and taking loans on individual basis but with the little they save it's impossible to qualify for a higher amount which will be little to boost their businesses. Same challenges have been experienced with micro finances that support women such as Kenya Women microfinance bank (KWFT) where the group guarantee have failed most women entrepreneurs. And with the little they get from their businesses it's hard to set aside funds to save which is a huge setback in the performance of women owned enterprises due to lack of access to finance.

### **5.3.3 Management of Employees and Performance of Women Owned Enterprises.**

It was established that the respondents agreed women have multiple family responsibilities and with low level management skills they have limited time to manage their enterprises due to other responsibilities especially family which hinder them to

coordinate with staff and other business operations. Earlier in the study, it was found out that most women entrepreneurs have secondary education and besides that they have no management training. Some women entrepreneurs lack management skills which are due to the varying education levels due to lack school fees to pursue college education. They lack the proper management skills to plan, organize, staff, coordinate and control for growth and sustainability of their enterprises to reach their full potential

It was found out that most respondents agreed that women have multiple family responsibilities which hinder them to coordinate with staff in their enterprises as shown by a mean of 4.36. They further agreed that with low-level management skills they depend on their staff and intermediaries to get things done especially in marketing and sales side of business as shown by the mean of 4.30 and also the multiple family responsibilities of women entrepreneurs hinder them time to manage employees in their enterprises as shown by mean of 4.08.

The research further showed that multiple family responsibilities of women entrepreneurs' demand most of their time hence they have few working hours to manage their employees. This concurs with Athanne, 2011 who agreed that some women entrepreneurs find that they are not taken seriously by their employees, especially in nontraditional sectors, and have to make a special effort to win their respect. The research found that with low level management and other business record keeping skills, women entrepreneurs depend entirely on their staff and intermediaries to get things done especially in marketing and sales side of business. Women entrepreneurs are also hindered by the fact that they still have family responsibilities to take care of which affects the management of staff and business operations.

When women entrepreneurs acquire management skills, they can prove to be very productive in running their enterprises. This concurs with those of Heffernan (2003) who showed a difference in negotiation skills of women beneficial to the business in the long term. Valencia (2006) noted that the social and empathetic nature of women leads to better performance of firms run and owned by women due to effective communication amongst stakeholders. This can be achieved by the government organizing initiative to ensure all women entrepreneurs are offered affordable if not free entrepreneurial training which will boost performance of their enterprises while managing employees well to achieve desirable results.

#### **5.3.4 Discrimination and Performance of Women Owned Enterprises.**

The study found that most women were restricted from owning fixed assets such as land and buildings. Some land laws in Kenya such as Land Disputes Tribunals Act, Trust Land Act, the Land Adjudication Act and the Land Consolidation Act that are under the customary law are discriminative which prevent women to own and control land. This means that women only have the right to access land but still require permission to access it hence making them dependent on men.

From societal perception, women entrepreneurs lack total control of their enterprises which lead to underperformance and while they employ few people, have more limited capacities for savings accumulation than men and dependent on men for funding which makes it hard for them to apply and access loans from banks. Stevenson and Jarillo, (2003) agreed that the status of women in a patriarchal social structure makes women dependent on males in their lives; husbands or fathers for decision making and family resistance is a major disincentive to business start-up. Respondents further agreed that

women networks are not usually leveraged for business purposes and that gender stereotyped society perceives that women lack self-confidence and assertiveness to run a business.

The findings revealed that most respondents agreed that they are restricted from owning fixed assets such as land and buildings as women networks are more personal in nature and are not usually leveraged for business purposes, and gender stereotyped society perceives that women lack self-confidence and assertiveness to run a business. Women do not have the same opportunities for full time wage employment, and therefore have more limited capacities for savings accumulation than men and they depend on husbands or other close male family members for decision making hence going against the independent spirit of entrepreneurship which inhibits the success of performance of the owned enterprises because they lacked total control of their businesses.

While Kenyan women yearn for gender equality, these efforts have been futile as the Gender Bill was rejected by Members of Parliament in May 2016. This showed that as much as the gender quality is fought for in Kenya, women lack support from men and this shows that as a country it is still far from achieving gender equality. If the two third gender rule was passed, this would allow nomination of more women to parliament which would bridge the gender gap and having more women on the decision-making table. Gender discrimination limits women entrepreneurial role in the industrial environment. Women lack self- confidence and assertiveness to run a business and do not take risks. Women discrimination is still a major socio-economic factor that kills the entrepreneurial spirit of women hence translate to poor performance of women.

#### **5.4 Conclusion**

The study explored the extent to which the independent variables which are family responsibilities, access to finance, management of employees and discrimination influence the performance of women owned enterprises in Karatina town, Nyeri County, Kenya. The findings showed that all the independent variables; family responsibilities, access to finance, management of employees and discrimination to a great extent influenced the performance of women owned enterprises. It was established that for women entrepreneurs to be successful, women entrepreneurs need training in management skills so that they would learn how to plan, organize, staff, coordinate and control to the success of their businesses. The study further established that access to finance by the women entrepreneurs is a major economic factor that needs to be addressed. The financial institutions should have various financial products to suit the various financial needs for women entrepreneurs and affordable in terms of interest rates with flexible repayment periods that would encourage women to explore in the entrepreneurial activities.

Furthermore, women are also not informed on the accessibility of these financial products or rather they are ignorant to enquire about them due their lack of risk taking ability in entrepreneurship which hinders performance of their enterprises. This can be improved by financial institutions offering business advisory services to women entrepreneurs so that they understand the financial products in the market by providing necessary information and the importance of having a financial plan in place. By the financial institutions getting involved with the women entrepreneurs' education will not only



encourage them embrace the art of risk taking but also curb the fear of them taking long term loans since they will be more informed with the necessary information.

The study found out that discrimination of women due the gender stereotyped society has also robbed women confidence and assertiveness hence end up losing control over their own businesses. The society through the government programs should work towards creating awareness that women are capable for making their own business-related decisions and can run their businesses as much as their counterparts do.

From the regression analysis, the study concludes that family responsibilities, access to finance, management of employees and discrimination of women entrepreneur influence performance of women owned enterprises in Karatina town. From the correlation analysis, it is concluded that access to finance and management of employees have a positive relationship with performance of women owned enterprises in Karatina town. However, family responsibilities and discrimination of women entrepreneur negatively relates with performance of women owned enterprises in Karatina town.

### **5.5 Recommendations for Policy and Practice**

The researcher recommends that the government should set more policies that encourage more women entrepreneurial initiatives which will help change the perception in gender stereotyped society thus equipping them with more entrepreneurial skills to run their businesses. The banks should introduce woman tailored products to suits their entrepreneurial needs hence address the hindrance to the access of finance thus enhancing the performance of women owned enterprises.

## **5.6 Suggestions for Further Research**

The study was based on variables of family responsibilities, access to finance, management of employees and discrimination as the socio-economic factors that influence performance of women owned enterprises in Karatina town, Nyeri County, Kenya. A research should be done to establish other socio-economic factors influencing performance of women owned enterprises. A similar study should be carried out in other regions to confirm if the results attained are similar to the one of this study.

## REFERENCES

- AFDB (2004). *Supporting Growth-Oriented Women Entrepreneurs in Ethiopia, Kenya & Tanzania. International Labour Office (ILO) Seed Programme & African Development Bank (AFDB) Private Sector Department (OPSD)*. Geneva, Swizerland: ILO.
- African Development Bank & International Labour Office (ILO) (2004). *Supporting growth-oriented women entrepreneurs in Ethiopia, Kenya and Tanzania: an overview report*. Geneva, Switzerland: ILO.
- Brush, C. &. (1991). Antecedent Influences on Women-Owned Businesses. *Journal of Managerial Psychology*, 6(2), 9-16.
- Brush, C. (1990). *Women and Enterprise Creation: An Overview of Women-Owned Business. In Enterprising Women: Local Initiatives for Job Creation*. Paris: Organization for Economic Co-Operation and Development (OECD).
- Brush, C. (1992). A comparison of methods and sources for obtaining estimates of new venture performance. *Journal of Business Venturing*, 7(2), 157-170.
- Brush, C. (1992). Research on women business owners: Past trends, a new perspective and future directions. *Entrepreneurship Theory and Practice*, 16(4), 5–30.
- Central Bureau of Statistics (2011). *National Micro and Small Enterprise: Baseline Survey 2011-2012*. KNBS.
- Cinamon, R. G. (2002). Gender Differences in the Importance of Work and Family Roles: Implications for Work-Family Conflict: Sex Roles. *A Journal of Research*, 531-541.

- Cyert, R. M. (2010). *A behavioral theory of the firm*. Englewood Cliffs, NJ: Prentice-Hall.
- Fischer, E. R. (1993). A theoretical Overview of the extension of research on Sex, Gender and Entrepreneurship. *Journal of Business Venturing.*, 151-168.
- Frederking, L. (2010). *Culture, entrepreneurship and economic development*. Paper presented at Academy of Management Annual Meetings. Washington, D.C.: Paper presented at Academy of Management Annual Meetings.
- Gatewood, E. J. (2004). *Women entrepreneurs, growth and implications for the classroom*. USA: Coleman Foundation.
- Gathenya, J. W., Bwisa, H. M. & Kihoro, P. (2011). Interaction between Women Entrepreneurs' Age and Education on Business Dynamics in Small and Medium Enterprises in Kenya . *International Journal of Business and Social Science*, 2(15), 129-138.
- Global Entrepreneurship Monitor (2003). *Worldwide, One in 11 Women Involved in Entrepreneurial Activity: NWBC Analysis*. Global Entrepreneurship Monitor.
- Harrison, R. T. (2007). Does gender matter? Women business angels and the supply of entrepreneurial finance. *Entrepreneurship Theory and Practice*, 31 (3), 445-472.
- Hisrich, R. & Brush, C.G. (2000). Women-Owned Business: An exploratory study comparing factors affecting performance. *Journal of Management Policy and Practice*, 16(1)62-75..
- Ighomereho, O. S. (2013). Gender Influence on Access to Innovation Resources in Nigeria . *International Journal of Humanities and Social Science*, 3(1), 145-157.

- International Finance Corporation (IFC) (2007). *Gender entrepreneurship markets, GEM country brief*. Afghanistan: GEM.
- International Labour Office (2010). *Women in labor markets. Measuring progress and identifying change*. Geneva, Switzerland: ILO.
- International Labour Office (ILO). (2003). *Tanzanian women entrepreneurs: going for growth*. Geneva: . Geneva,Switzerland: ILO.
- International Labour Office (ILO). (2004). *The Challenges of Growing Small Businesses: Insights from Women Entrepreneurs in Africa* by Pat Richardson, Rhona Howarth and Gerry Finnegan. Series on Women's Entrepreneurship Development and Gender Equality—WEDGE (p. SEED Working Paper No. 47). Geneva,Switzerland: ILO.
- International Labour Office (ILO). (2008). *Global employment trends for women*. Geneva, Switzerland: ILO.
- International Labour Office (ILO). (2009). *Gender Employment*. Retrieved March 29, 2015, from International Labour Office: <http://www.ilo.org>
- International Labour Office(ILO). (2002). *Jobs, gender and small enterprises in Africa. Preliminary report, Women entrepreneurs in Tanzania* by University of Dar es Salaam, Entrepreneurship Centre. Geneva,switzerland: ILO.
- Jones, T., McEvoy, D., & Barrett, G . (2008). *Small Business Initiative: Ethnic Minority Business Component*. ESRC: Swindon.
- Kyalo, N.T. & Kiganane, L.M. (2014). *Challenges Facing Women Entrepreneurs in Africa: A Case of Kenyan Women Entrepreneurs*, Karatina University.

- International Journal of Advances in Management, Economics and Entrepreneurship*, 1(2)01-08.
- McCormick, D. & Others. (1996). *Kenya Women Finance Trust: Borrower Profile*. A Report Prepared for the International Fund for Agricultural Development by the Institute for Development Studies. University of Nairobi, Kenya.
- Ming-Yen, W. & Siong-Choy, C. (2007). Theorising A Framework Of Factors Influencing Performance Of Women Entrepreneurs In Malaysia. *Journal of Asia Entrepreneurship and Sustainability*, 3(2), 60-78.
- Msoka, E. M. (2013). Do Entrepreneurship Skills Have an Influence on the Performance of Women Owned Enterprises in Africa? Case of Micro and Small Enterprises in Dar es Salaam, Tanzania. *International Journal of Business, Humanities and Technology*, Vol. 3 No. 3;.
- Mugenda A G, Mugenda O M. (2003). *Research Methods, Quantitative and Qualitative Approaches*. Nairobi: ACTS Press.
- Njoroge, C. W., & Gathungu, J. M. (2013). The Effect Of Entrepreneurial Education And Training On Development Of Small And Medium Size Enterprises In Githunguri District- Kenya. *International Journal of Education and Research*, Vol. 1 No. 8.
- Njoroge, C.W. (2013). The Effect Of Entrepreneurial Education And Training On Development Of Small And Medium Size Enterprises In Githunguri District- Kenya. *International Journal of Education and Research*, 1(8), 1-22.
- Okpara, J. O.& Wynn, P. (2007). Determinants of Small Business Growth Constraints in a Sub-Saharan African Economy. *SAM Advanced Management Journal*. *International Journal of Education and Research*, 1(8), 76 – 94.

- Omwenga, J. Q., Mukulu, E., & Kanali, C. (2010). Towards Improving the Performance of Women Entrepreneurs in Small and Medium Enterprises in Nairobi County, Kenya: Policy Recommendations. *International Journal of Business and Social Science*, 4(9), 123-131.
- Pat, R., Rhona, H. & Gerry, F. (n.d.). *The Challenges of Growing Small Businesses: Insights from Women Entrepreneurs in Africa*. Series on Women's Entrepreneurship Development and Gender Equality — WEDGE (p. SEED Working Paper No. 47). Geneva, Switzerland: ILO.
- Ram N. T. (2009). *Rural Women Empowerment in India*. New Delhi: Kanishka Publishers.
- Shane, S. (2003). *A general theory of entrepreneurship: The individual-opportunity nexus*. UK: Edward Elgar.

## APPENDICES

### APPENDIX I: LETTER OF INTRODUCTION

Christine Bentah Munubi,

P.O BOX 501-10101,

Karatina.

Date \_\_\_\_\_

Dear Sir/Madam,

#### **RE: LETTER OF INTRODUCTION FOR DATA COLLECTION INSTRUMENTS**

I am a student at the University of Nairobi pursuing Master of Arts degree in Project Planning and Management. I am required to carry out and submit a research project report on influence of socio-economic factors on performance of women owned enterprises in Karatina town Nyeri County, Kenya as part of my coursework.

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

Yours faithfully,

CHRISTINE BENTAH MUNUBI



## APPENDIX II: QUESTIONNAIRE FOR WOMEN ENTREPRENEURS

Good morning /afternoon Madam,

These set of questions is intended to find out the influence of socio-economic factors on performance of women owned enterprises in Karatina town Nyeri County, Kenya. With your honest answers, the interested stakeholders will have the right information to plan the way forward. You are hereby guaranteed that the information you give will be treated with utter confidentiality.

Please tick [ ] where appropriate or fill in the required spaces provided. Thank you.

### SECTION A: PROFILE OF THE RESPONDENTS

1. What is your age category in years?

18-25 [ ]

26-35 [ ]

36-45 [ ]

46-55 [ ]

56 and above [ ]

2. What is your marital status?

Married [ ]

Single [ ]

Divorced [ ]

Separated [ ]

Widowed [ ]

3. What is your highest level of education?

Primary school (KCPE) [ ]

Secondary School (KCSE) [ ]

Diploma and above [ ]

4. What is the age of your business?

0-2 years [ ]

3-5years [ ]

6 years and above [ ]

**SECTION B: FAMILY RESPONSIBILITIES**

1. Using a Likert scale below, tick [ ], to what extent is the influence of family responsibilities to the performance of women owned enterprises in Karatina town Nyeri County, Kenya? please tick [ ] all as appropriate

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Women entrepreneurs find it challenging to run both their businesses and families					
There is a poor balance between family and business responsibilities which are too demanding which influences the performance of women owned enterprises					
Women entrepreneurs lack time to explore available entrepreneurial training opportunities due to the multiple family responsibilities					
Women entrepreneurs lack mobility hence have less powerful business networks compared to their male counterparts					

2. In your own view, how do family responsibilities influence the performance of your business?

.....

.....

.....

**SECTION C: ACCESS TO FINANCE**

3. Have you ever borrowed from a financial institution? If yes, how often have you borrowed from a financial institution?

- Often [ ]
- Rarely [ ]
- Once [ ]
- Never [ ]

4. Using a Likert 1-5 scale, [ ] to what extent is the influence of access to finance to the performance of women owned enterprises in Karatina town Nyeri County, Kenya?  
please tick [ ] all as appropriate

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Women entrepreneurs fear taking long term loans					
Banks offer high interests with short term repayment period					
Women entrepreneurs have the necessary information about access to funds					
Women entrepreneurs lack collateral to secure loans from financial institutions					
Financial institutions require too many loan requirements and involve long procedures in order to apply for a loan facility					
Women entrepreneurs lack access to external funds due to their inability to provide collateral					

5. In your own view, what do you think financial institutions should do to improve access to finance for women entrepreneurs?

.....

.....

.....

.....

SECTION D: MANAGEMENT OF EMPLOYEES

6. Using a Likert 1-5 scale, [ ] to what extent is the influence of management of employees to the performance of women owned enterprises in Karatina town Nyeri County, Kenya? please tick [ ] all as appropriate

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Women entrepreneurs have low-level management skills they have to depend on their staff and intermediaries to get things done especially in marketing and sales side of business.					
Poor coordination with staff in their enterprises due to multiple responsibilities.					
Women entrepreneurs have few working hours due to multiple responsibilities which demand most of their time					

7. Apart from the ones stated above, what other challenges do you experience managing your employees?

.....

.....

.....

.....

8. Based on your experience and to the best of your knowledge, which additional socio economic factors affecting women owned enterprises’ performance of Karatina Town, and yet not covered in this questionnaire? Please list two factors below:

.....

.....

SECTION E: DISCRIMINATION OF WOMEN ENTREPRENEURS

9. Using a Likert 1-5 scale, [ ] to what extent is the influence of discrimination of women entrepreneurs to the performance of women owned enterprises in Karatina town Nyeri County, Kenya? please tick [ ] all as appropriate

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Women entrepreneurs depend on husbands for decision making for their enterprises					
Women entrepreneurs lack total control of their enterprises					
Gender stereotyped society perceives that women lack self-confidence and assertiveness to run a business					
In the case of land titles used as collaterals, affidavit of spouse consent is required					

In your own opinion, do you think financial institutions can minimize discrimination of women entrepreneurs?

.....

.....

.....

SECTION F: PERFORMANCE OF WOMEN OWNED ENTERPRISES

10. Using a Likert 1-5 scale, [ ] to what extent is the influence of performance on women owned enterprises in Karatina town Nyeri County, Kenya? please tick [ ] all as appropriate

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
<b>Profitability</b>					
Women owned enterprises usually concentrate in industries and sectors that are crowded, less productive and less profitable					
Women networks are more personal in nature and are not usually leveraged for business purposes					
Women owned enterprises underperform compared to men owned enterprises in terms of either survival or profitability					
<b>Business Expansion</b>					
Women are more likely to be in retail enterprises where banks are less apt to approve for credit financing					
Women owned enterprises employs few people in addition to the owner					
<b>Growth In Assets</b>					
Women entrepreneurs are restricted from owning fixed assets such as land and buildings					
Traditional sectors of women business activities are often not asset based					

11. In your own view, what needs to be done to improve the performance of women owned enterprises?

.....

.....

.....

**APPENDIX III: MATHIRA CONSTITUENCY MAP**

