DECLARATION

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

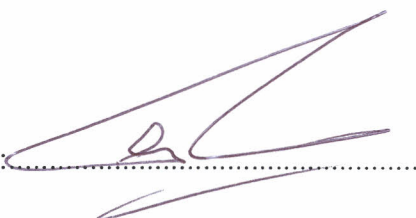Signature:................................. Date 26/07/2012

NICHOLAS KAMORE WAIGANJO

L50/60750/2011

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

Signature:................................. Date................ 26/7/2012

DR. CHRISTOPHER M. GAKUU, PHD,

SENIOR LECTURER AND CHAIRMAN,

DEPARTMENT OF EXTRA-MURAL STUDIES,

UNIVERSITY OF NAIROBI.

DEDICATION

This research project is dedicated to my beloved brother Dennis Moigo, Sisters ; Emily Wanjiku, Millicent Njeri, Anastasia Wambui, Monicah Wangui, Eunice Muthoni. Nephews; Newton Waiganjo Wanjiku, Newton Waiganjo Njeri. Niece Shelmith Muthoni. for their motivation stimulation, encouragement and inspiration played an important role in development of this research project. This research project is also dedicated to my beloved parents, father, Isaac W Kamore and Jecinta N. Waiganjo (mother) for their dedication, support and commitment in ensuring that I had all that I required for my schooling.

ACKNOWLEDGEMENT

TABLE OF CONTENT

LIST OF FIGURES

LIST OF TABLES

ABBREVIATIONS AND ACRONYMS

C.E.O	Chief Executive Officer
F.O.B	Family Owned Business
SPSS	Statistical Package for Social Science
MCN	Municipal Council of Nakuru
CBD	Central Business District
GOK	Government of Kenya
US	United States
GDP	Gross Domestic Product
ROI	Return on Investment
ROE	Return on Equity
SES	Socio Economic Status
FGD	Focus Group Discussion
MDG	Millennium Development Goals
KRA	Kenya Revenue Authority
SMES	Small and Medium Enterprise
EC	European Commission
LAIFOMS	Local Authority Integrated Financial Operations Management System
SBA	Small Business Administration

ABSTRACT

Performance is one important constructs regarding business strategy in today's increasingly competitive market. The concept has been received with much consideration and attention from both disciplines that is academic and practioners. Family business management should recognize and improve those things that can affect their business not to attain its goals. Performance plays a major role in winning market share and development a sustainable competitive advantage. The purpose of the study was to determine the constructs influencing performance of family business, small and medium business in Nakuru town, Central Business District, in Kenya. The study was carried out amongst small and medium family businesses in Nakuru town, Central Business District, in Kenya. In order to accomplish this, the study was guided by the following research objectives to determine the extent to which education background influences performance of family business, to establish how demographic factors (age,sex,marital status) influences performance of family business, to examine how the level of business experience influences performance of family business, to asses how availability of capital influences performance of family business and to explore the extent to which commitment influences performance of family business small and medium family businesses in Nakuru town, Central Business District, in Kenya. The study adopted the descriptive research survey design. This study targeted the total of 1009 small and medium family businesses in Nakuru town, Central Business District, in Kenya. Using the probability sampling technique, stratified random sampling in the selection of the study sample to which was 278 (According to Krejcie and Morgan 1970, sample size table). Data was collected from family business, small and medium businesses by use of questionnaires containing structured and semi-structured questions; and focus group discussion with top management of ten (10) randomly selected family small and medium family businesses. Data collected was analyzed using the Statistical Package for Social Sciences (SPSS) version 16.0 and Microsoft Excel Software 2007 .Descriptive statistics (frequencies and percentages) and Pearson's Product Moment Correlations were computed. The findings were presented in the form of tables for easier interpretation. The study findings revealed that: Education Background of family management did not significantly influence performance of family business; Demographic factors (age, sex, marital status) did not significantly influence performance of family business; availability of capital significantly influenced performance of family business; business experience had an influence on the profit increase in 2011 experienced by most firms; while commitment of owners towards the business influenced the performance of family business to large extent. Following the study recommended that: The Government of Kenya should consider increasing budgetary allocations for supporting youth owned SMEs, considering the fact the largest proportion of SME owners are youth; organizing and implementing training programmes geared at enhancing business skills, financial management skills and sales and marketing skills for SMEs; and giving incentives to SMEs who perform better; and that the SMEs owners and management should consider joining or forming business associations / networks. It is hoped that the finding of this study will provide essential information to business management; small and medium family businesses to enable them find ways of boosting performance in business sector.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Family firms' growth plays a crucial role in the growth of the economy as a whole, due to the prominence of family firms in the economy, especially in European countries. In many countries family businesses control huge portions of the economy. In developed countries a majority of large corporation has dominant shareholders who generally are wealthy families (La Porta and al., 1999; Claessen et al., 2000). Moreover, small and medium enterprises (SMEs), which are very often characterised by family control, appear to be major actor of economic growth in European countries. SMES accounts for around two thirds of total employment and half of the turnover in the European business sector (Wegenvoort, 2003). Given this prominent place of SMES, micro-economic growth depends necessarily on thee growth behavior of firm's main shareholders.

The contribution of small and medium sized enterprises to employment, growth and sustainable development is widely acknowledged. Evidence available indicates that SMEs played a major role in the growth and development of all leading economies in Asia (United Nation 2001:2). In United State of America (US), small business provides approximately 75% of the net jobs added to the economy and represent 99.7% all employers (Shanker and Astrachan, 2000). There were approximately 22.9 million small businesses in 2002 in US. Small Business Administration(SBA) has established size standard for small businesses. The most common size standard is 500 employees for manufacturing and mining industries; 100 employees for all wholesale trade businesses.

Nearly all business starts out as family enterprises (Shanker and Astrachan, 1996). As the most common form of business organization in the world, family owned or controlled businesses account for over 80% of all firms in the U.S 12% of GDP and 15% of the workforce, according to conservative estimates by Shanker and Astrachan (1996). While many family businesses are small, they also make up absent 35% of companies listed in the standard and poor is 500 or fortune 500 indexes (Anderson and Reeb, 2003)

1

Business groups specifically family managed firms, play an important role today in Indian Economy. The strong foundation built by corporate India can be attributed to its family evened or, managed business groups like Ambeni, Bajaj, Yala, Bharti, Jindal, Essar and so on. These family managed enterprises have left such a strong imprint on the country's economy that it is highly interesting to explore the underpinning of how a family owned business creates value to its shareholders when compared to a professionally managed non family business Van der Merwe (1998:3) points out that family businesses have been making a positive contribution towards the South African economy for the last 300yrs. Ackerman (2001:325) concurs that approximately 80% of business in South Africa are classified as family businesses and that they comprise 60% of the companies listed on the Johannesburg stock exchange. The South African National small Business Act (1996) and National small business Amendment Bill (29/2004:2) Classify Micro, very small, small and medium sized business as business that employ fewer than 200 full time equivalent of paid employees.

Family businesses are rapidly becoming the dominant form of business enterprise in both developed and developing countries (Muske, Fitzgerald and Kim. 2002: Neubauer and Lank 1998:11). These businesses amongst the largest contributors to employments and wealth in almost every country, including south Africa (Maas and Diederichs,2007:3: Neubauer and Lank 1998:11;Rwigema and Venter, 2004:478) family businesses represents substantial economic entities within the macro economy, while also providing significant resources to the micro-economy, namely the family, within the most important of these resources being the house hold income(Muske, Fitzgerald 2006:194) the social and economic impact that family business have is increasingly being recognized and their numbers are expected to continue rising in the future (Nieman, 2006:38; Rwigema and Venter, 2004:475, Venter 2003:33-34) however despite their increasing number and the importance of the family businesses are significant contributors to the social and economic welfare of any economy, their lack of longevity is reason of concern.

Uganda's businesses are very small according to SBA standards they employ a maximum of 50 period employees who in most cases are members of the same family. They have a

working capital of less than USD 26882; annual revenue of between USD 5,376-26882 through out each of year of operation and value of assets including land, building and working capital of less than USD 50,000(Mbaguta 2002). In addition most of them operate in shared premises; owned and managed on family basis and are labour intensive skills are acquired on the job and often use adapted technology (Tushabomwe Kazooba, 2006).

According to Uganda Bureau of statistics (2004:29) the value of goods and services catered or generated by small and medium businesses was USD 1,363,733 million of the total USD 2,360,157 million; thus a contribution of 58%. They employed 2,704,127 people representing 56% of employment size in addition they are responsible for human resource and entrepreneurial development, poverty alleviation and improved quality of life resource mobilization business adaptability and sustainability. This state of affairs agree with ACCA(2006) find that around 60% of ACCA students and members work for small and medium sized practices (SMPS) this pattern is the same in all economies

According to the Kenya Bureau of Business statistics (2011) these are more than 800,000 small, medium and micro-enterprises in the country, absorbing about a quarter of the labor force of 30million people. This is in addition to about 3.5million people involved in some or other type of survivalist enterprise activities. The small business sector is highly diverse, with structures, problems growth potential and access to support differing widely between segments. These differences relate as much to the economic sectors retailing, manufacturing, mining, which relates to the stage of enterprises that is start up expanding from a bread strategy perspective the most important distinction is between survivalist activities, micro-enterprises, small enter prices and medium sized enterprises with the general term "small business and the abbreviation "SMES".

Small and medium family enterprises constitute the bulk of the established business, which employment ranging between 5 and about 50 the enterprises will usually be owned managed by family members.

According to the data obtained from Municipal Council Of Nakuru in Local Integrated Financial Operation Management System ,Business Register(LA 576,2012) there are 12,776 registered small and medium businesses, out of these 1009 small and medium businesses are owned by family and are within the central business district. These small and medium family businesses are basically classified as retailers and wholesalers. These firms' plays an important role in Nakuru economy .According to the Economic survey 2011 the sector contributed over 50% of new jobs created in the year 2010. Despite their significance past statistics indicates that three out of five business fail within the first few months of operation (Kenya National Bureau of Statistics, 2007).According Amyx 2005 ,these firms are faced by a challenge of continuity to the second generation ,level of education, capital and level of commitment, this makes these firms not to provide quality services to customers.

1.2   Statement of the problem

A family business can loosely be classified as one in which the family broadly defined, has either significant ownership or management control. Research has shown that there are factors that contribute to success or failure in small and medium enterprises in the government in the world. For example, Bat, (1995:26-36) reports that of the 90,000 small and medium business surveyed, approximately 65% of the franchise firms were still in operation in 1991 while 72% of independent small and medium firms were still operational in the U.S.A. That indicates that over 28% of young firms went out of business. Dun and Bradstreet (1993:144-149) report that 51.8% of firms fail during the first five years, with 9.5% failing per year.

Although the field of family business, according to Klein ,Astrachan and Smyrnios (2005:321) has been regarded as a separate academic discipline since the 1990's (Bird, Welsh, Astrachan and Pstrui, 2002). It only recently emerged as a topic within mainstream business research (Streier and Ward, 2006; Chrisman, Chua and Steier, 2002). Brockhaus (1996:3) points out that, also in South Africa, relatively little research has been carried out on family-run businesses. Although research on family businesses in South Africa gained some momentum during the past decade Van der Merwe,2007; Van

4

der Merwe and Ellis, 2007; Venter and Boshoff, 2006; Anderdorff, Boshoff, Court and Radloff, 2005; Venter 2003:a Venter 2003:b ,Venter, Boshoff and Maas, 2003), more scientific based research is urgently needed to gain more insight in the unique challenges facing the family business.

According to data obtained at the Municipal Council of Nakuru (MCN), the family businesses registered in Nakuru town Central business district has significantly increased from 500 in 2002 to 1009 in 2011. Despite the increased registered family businesses retention has been a challenge. Data obtained from the MCN indicate that out of 500 family businesses registered in 2002. Only 409 family businesses were there by 2011. ,Data released by the year 2011 indicate that out of the total number of family businesses 1009 started in 2011 total number of those owned by elder generation is 400 less than that owned by younger generation.

According to Davidson, Vesper, 2001, Studies have shown that challenges posed by the education background of family business managers and demographic factors have contributed to low family business performance. Availability of capital is still regarded as an important measure of family business performance; moreover commitment is another aspect / indicator of business performance especially when concrete decision is made that is able to satisfy customers' needs.

Family businesses failure has been a phenomenal problem in Nakuru town central business district. This study will therefore seek to establish the determinants that influence performance of family businesses in Nakuru town CBD, Kenya.

1.3   Purpose of the study

The purpose of the study was to investigate the factors influencing performance of small and medium family businesses in Nakuru town Central Business District, Kenya and give concrete recommendations.

1.4 Objectives of the study

The study was guided by the following research objectives;

1).To determine the extent to which education background of family management influences performance of family business.

2).To establish how demographic factors (age, sex, marital status) influences performance of family business.

3).To examine how the level of business experience influences performance of family business

4).To asses how availability of capital influences performance of family business.

5).To explore the extent to which level of commitment influences the performance of family business.

1.5 Research Questions

The study sought to answer the following research questions;

1). To what extent does level of education influence performance family businesses?

2). How does demographic factors (age, sex, marital status) influence performance of family business?

3).How does the level of business experience influences performance of family businesses?

4).To what extent does availability of capital influences performance of family businesses?

5). Does level of commitment influence the performance of family business?

1.6 Research hypothesis

This study was guided by the following research hypothesis;

H_1: There is a relationship between level of education and growth Performance (market expansion) of the family business.

H_1: There is a relationship between level of commitment of family business management and growth performance of the family business.

1.7 Significance of the study

The significant of this research was to determine and document the influence of performance on family business in Nakuru Central Business District in Kenya. It is hoped that the result of the study would add to the body of knowledge in the area of performance of family business that contribute to business achievement with regard to diversity in socio-economic status.

It is also hoped that entrepreneurial research would find this study useful as it will contribute to the understanding of the reason for failure of family business within few years of establishment as determined by their level of education and diverse family backgrounds.

It is also hoped that the study would assist the family businesses to come up with favorable programmes that could address the factors that impede performance as family business. In addition the funding of this study may enrich business community with the understanding of effective monitoring and addressing the challenges of poor performance of family business C.E.Os of family business will be enlightened on their roles in enhancing better performance of their business. Policy makers in business can benefit greatly from this study as they may understand more the needs of the family businesses and come with policies that reduce failure.

1.8   Delimitation of the study

The study was carried out in Nakuru town (Central Business District). This involves all the 1009 family businesses in the Central Business District and study carried out on small, medium and large family businesses. A sample of 278 family businesses will be selected randomly with proportionate representation from the family business identified. Through the use of questionnaires and focus group discussion the business will provide information regarding the performance of family businesses. The business in this study area fall in three categories: large family business, medium family business and small family business. This will be a good measure in describing performance based on family business.

1.9   Limitations of the study

Limitations of this study was that some respondents will be uncooperative to contribute in discussion touching on their socio-economic status and income. There was thus fear that such respondents will give false answer to questions asked, hence a compromise to the quality of the study. Some respondents may be reluctant give adequate information on performance of their business. Moreover, social cultural values of a family may also hinder in acquisition of adequate information. In order to overcome these limitations, the researcher will give the respondents a written and verbal assurance that the information given will be used for research purposes only and that strict confidentially will be observed.

1.10   Basic Assumptions of the study

This study assumed that the respondents provided correct and truthful information to questions and explanations sought by the research instrument used that is questionnaire. It is also assumed that views of the respondents used for the study were representative of the entire population hence making generalization of the findings possible.

1.11 Definition of Significant Terms as used in the study

Family: A social structure made up of people related by blood, marriage or adoption.

Business: To be involved in some activities that aims at earning owe's living.

Family business: It is a business that is owned, managed and controlled by one or more family members.

Central business district: The heart (Central of all the business within the town).

Commitment: Desire to maintain a relationship.

Culture: People way of life

Demography: Art of study of patterns within the population.

Management: Working with and through people in order to accomplish set goals.

Performance: Refers to efficiency and effectiveness in the delivery of services by the employee.

Family business performance: It is financial performance of the business.

Small and medium enterprise : Enterprise that employs less than 250 employees and capital not held by another firm.

1.12 Organization of the study

This research project contains three chapters and an appendices section. Chapter one which is the Introduction, gives the background of the study, statement of the problem, purpose of the study, research objectives, research questions, research hypothesis that will guide the study. It also contains significance of the study, basic assumptions of the study, limitations of the study, delimitations of the study, definition of significant terms as used in the study.

Chapter two contains a comprehensive literature review of related studies and publications conducted regarding the determinant of performance on family businesses in small and medium business in Nakuru town, central business district in Kenya. The section contains a conceptual framework that gives the relationship between variables.

Chapter three gives a description of the methodology used in the study. The research design and sampling procedure used are explained. The method of sample section and determination is explained. The methods of data collection, analysis, and presentation have been discussed. This chapter is concluded with the operational definition of variables which associates the research objectives with the methodology and provides a map to the expected results.

Chapter four contains the presentation and interpretation of the findings arising from data analysis using the techniques described in chapter three. The chapter also contains the discussions of the findings. The findings are presented in form of tables accompanied by explanations of the findings below each table.

Finally, chapter five contains summary of the findings, conclusion and research recommendation. The chapter also outlines suggested areas for further studies arising from the study findings and is concluded with a section of the study's contribution to the body of knowledge.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This section contains a comprehensive literature review of studies and arguments related to the determinant of performance of family businesses. The chapter concludes with a conceptual framework which is a diagrammatic representation of the relationship between the independent variables and the dependent and then a summary of the chapter.

2.2 Small and medium enterprises (SMES)

SMES are defined according to the recommendation of the EU Commission (6 May 2003). This definition distinguishes two criterium to qualify a firm as SMES. First there is a size criterium based either on the number of employees (250 or less employees), or on turnover (annual turnover has to be inferior to 50 million euro's). Secondly SMES have to be independent, therefore its capital must not be held by another firm. Small and medium enterprises (SMES) in all the economies play a decisive role in the growth of the economic condition of a country. The promotion of SMES is regarded as an important issue in many countries in view of the fact that SMES perform multiple functions for the society and economy of a country. SMES in many countries accounts for the majority of business establishments and employment generation. They are also called an engine of economic growth because of the important role they play in uplifting local and global economic movement and thus reduce poverty. Their value and importance are appreciated by the developing nations as they are key in stabilizing the venture in society and are key players in regional industry (Julien, 1996).

2.3 Family business

By definition a family business is "a business governed and managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family of families "(Chua, Chrisman and Sharma 1999, P 25). Family businesses dominate the commercial landscape of most free enterprise economies. In the USA, family businesses are estimated to account for up to 49

11

percent of GDP and 78 percent of new job creation (Astrachan and Shanker 2003). Worldwide, family owned businesses are the leading players in the economies of most emerging markets and family-controlled publicly held companies are both numerically prevalent and economically significant around the globe (Anderson and Reeb 2003). Considerable evidence suggests that family businesses generally outperform their non-family counterparts (e.g. Dibrell and Craig 2006; McConaughy Mathews and Fialko 2001; Munoz 2011). Anderson and Reeb (2003) confirm that when family member serves as the C.E.O, financial performance is better than with C.E.Os from outside family, and that this effect is even more pronounced when founders are still active.

The South African National Small Business Act (1996) and National small Business Amendment Bill (29/2004:2) classify micro, very small, small and medium sized business as businesses that employ fewer than 200 full time equivalent of paid employees.

2.4   Constrains Facing Small and Medium Family Businesses

In this section we focus on factors that may explain why small and medium family businesses in the proposed area of study do not perform regularly.

The small and medium family enterprise plays an important role in the Kenyan economy. According to the economic survey 2006 the sector contributed over 50% of new jobs created in the year 2005. Despite their significant past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya national bureau of statistics 2007. according to Amyx 2005 one of the most significant challenge is the negative perception towards small and medium family enterprises. Potential client perceives small businesses as lacking the ability to provide quality services and are an able to satisfy more than one critical project simultaneously.

Operating a small business includes the possibility of success as well as failure. Because of their small size the simple management mistake is likely to lead to sure death of a small enterprise hence no opportunity to learn from its past mistakes. Lack of planning, improper financing and poor management have been posited as the main cause of failure

of small enterprise (Longenecker, et al 2006). Lack of credit has also been identified as one of the most serious constrain facing small and medium family enterprises and hindering their development (Oketch 2000; Tomecko and Dondo, 1992; Kiiru 1991)

Education is one of the factors that impact positively on growth of firm (King and McGrath 2002). Those entrepreneurs with larger stock of human capital in terms of education and vocational training are better placed to adapt their enterprises to constantly changing business environments (King and McGrath, 1998). Infrastructure as it relates to provision of access roads, adequate power, water, sewage and telecommunication has been a major constraint in the development of small and medium enterprise (Bokea, Dondo & Mutiso, 1999).

2.4.1 Education background of family business management

A number of studies have argued that education facilitates entrepreneurial success (family business) by providing for the nourishment of competencies such as innovativeness and ability to acquire resources. These competencies are regarded as imperative to success in many family business (Bird, 2003: Ronstadt, 2003).Notably in highly technical industries a specified amount of education may be required as pre-requisite for employment.

Borjas (2007) study of self employment experience of immigrants and new born using both 1999-2009 census data analyses revealed that education has a positive and significant impact on self employment rate. In all samples the higher the education level the higher increase in the individuals ability to provide a service to those persons who may desire it: or perhaps that higher education level increases the organizational or managerial skills of family members (employees).

Verper (2010) pointed out that the more education an entrepreneur has had in business (especially small and medium business) are more likely the entrepreneur(family business)will succeed in the current venture. Vesper(2010) assert that prior mental programming in the form of both formal education and experience in the particular line of work of the new venture repeatedly crop up as correlated in generally positive ways with

odds of success in studies of startups(p32)The level of technical and business skills is also a major factor in successfully starting and managing a small business (Davidson 2001; Vesper 2003). In Davidson (2001) Sweden study the findings also suggested that business-related experience and business education were highly correlated with the entrepreneur ability to start and manage a business.

Lerner, Brush and Hisrich (2005) conducted a study to determine which factors affecting performance of family business in Nakuru using a sample of 220 businesses. They reported that human capital and business skills (education) were significantly explanatory power on performance. Their findings also revealed that a majority of family businesses owners are highly educated with college and graduate degree. The research effort of Bird (2003) showed a trend towards higher educational attainment among family business owners.

2.4.2 Demographic Factor

Previous studies have produced empirical evidence to suggest that certain demographic factor have a significant impact on the ability of family members. This demographic factors include amongst others, age, gender, education and marital status; the presence number and age of children; the size, tenure and nature of business

2.4.2.1 Age, Gender, Education and level of involvement of the family members

Feature such as person's age and gender may have an important influence on who they are, how they are treated by others, their behavior and their relationship with other adults (Frankenberg 2003; 11, Coley 1996; 139). When compared to other demographic valuables age is more importance to understanding family and family business practices and processes than commonly thoughts (Poza, Alfred and Maheishwari 1997;145, 147). Farington (2009; 496) reported a significant relationship between the age of the sibling partner in her study and the growth and financial performance of the business. She suggested that younger siblings' partners are more likely to make positive contributions to financial and growth performance as they are more zealous, driven, risk averse and entrepreneurial than their older counterparts. Similarly, Davis (1982) found support for

14

his hypothesis that the quality of work relationship between father and sons who work together was directly influenced by their respective life stages.

In contract Venter (2003; 322) found no relationship between the age of her respondent who were made up of owner managers and their successors and the continued profitability of business. Each life state in a persons life includes tasks essential for the development of suitable relationship, career and personal ambitions (Levinson 1978).

Cowie (2007;73-80) reported that management team members with a management qualification, perceived their team meetings to be more productive and have more effectives feedback system than those management team members without a management qualifications. On the other hand she reported that no significant differences between the respondents operational abilities or perceived success of the management team and management qualification. Cowie (2007; 74) reported significant difference between gender and the norms within the management teams who participated in her study. Female team members experienced clearer norms and expectations within their management teams than the males did.

2.4.2.2 Size, Tenure and nature of the business.

Demographic variables such as a business size, age and industry have been found to have a significant influence on management practices and business performance (Storey 1994; porter 1980) it is therefore important to note that in addition to the societal culture and the background of family member, age and size of the business its ownership structure and objectives also influence the makeup of the family business (Santiago 2000; 32) .

Effective teams are comprised of the minimum number of people required to get the job done having smaller teams facilitate better coordination but also increases the risk of overall if the team is not large enough (Greenberg and Baron, 2000; 281; Ivancevich, Konopaske and Matteson, 2005; 341). Fitzgerald and Muske (2002; 13) found that family business tended to employ fewer employees than non family owned businesses (Cox, Moore and Van Auken, 1984; 25). In her study on sibling partnership, Farrington (2009;

497) reported a significant relationship between employees numbers as well as financial and growth performance. Consequently the more employees the sibling partnership has the more likely it is to grow and perform well financially (Farrington, 2009; 497). In addition Cowie (2007;74-76) found that the more employees the business has the more capable the management team members will be of effectively performing their tasks. In contrast Venter (2003) and Malone (1989) found no significant relationship between the number of employees and continued profitability of the business or business continuity planning.

In their study, Danes, Zuiker, Kean and Arbuthnot (1999;247) reported that the age of the business positively and significantly added to tensions among business managers concerning lacking Role clarity and unfair work heads. Murphy (2005: 131) found that neither the size nor the age of the family business had a significant impart on responses relating to solvent family business issues. In addition, Cowie (2007: 7380) reported no significant differences between the demographic variables tenure and the factors operational efficiency or perceived success. In other words, the age of the business had no influence on the ability of the management team to operate efficiently, or on the perceived operations of the business. In contrast Farrington (2009:497) found that the longer the sibling partners in her study were involved in a business together, the more likely the business has to perform well financially.

Cowie (2007:73,80) reported no significant different between the nature of the industry in which the business operated and operational efficiency or perceived success. In other words the nature of the industry in which the business operated had no influence on the ability of the management team to operate efficiently or on the perceived success of the business.

In addition, Venter (2003: 320) reported no significant difference between the demographic variable business sector and the factor continued profitability of the business. Therefore the sector in which the business operated has no significant influence on the continued profitability of the business.

16

2.4.3 Level of Business Experience

Beyond bureaucratic control mechanism owing, supervising, managing business families have been found to influence their firms via the experience and knowledge they have acquired over generations. (Astrachan, Klein, Smyrnios, 2005). In this context a popular assertion about family firms is that by the third generation the firm is heading for decline (ward 2007). This question has not been thoroughly investigated despite some preliminary evidence of lower performance of third generation family firms (Zellweger 2006, 152).

Studying the influence of family over generations raises several methodological concern, most importantly worries about self selection or survivorship bias. That is to say that only those firms survive that outperform in long run less successful firms have left the market before. It might be insightful to test whether later generation firms displays lower returns as a result of reduced risks propensity in attempts to reduce failure risks (eg from running out of cash due a high growth rate).This relates to an overall issue of how one should define performance.

The extended time horizon (Anderson ,Reeb 2003;Zellweger,2007b)reported that for most family firms relates well to the experience dimension given that experience accumulates over time (Manski 2004).

Zellweger (2007b) finds that family firms displays longer time horizon s due to the Trans generational goals a longer C.E.O tenure and the presence of many family firms in cyclical industries which can inhibit short term success. Zellweger(2007b)shows that long term investment horizon s provide family firms the opportunity to invest in projects that are either too risky or not sufficiently profitable for short term oriented firms.

2.4.4 Availability of capital

Availability of Capital has been mentioned in various studies as an influencing factor to business success, with specific reference to SMEs in both the developed and developing world. In a study in Australia, McMahon (2001) discovered that greater dependence upon external finance associated with better business growth. In a study, in Indonesia, Kristiansen, Furuholt, & Wahid (2003) found that financial flexibility was significantly correlated to business success. The SMEs that took advantage of family and third-party investment experienced higher level of success.

Access to capital is obviously one of the typical obstacles to the start- up of new businesses, not least in developing economies with weak credit and venture capital institutions. Several empirical studies have concluded that the lack of access to capital and credit schemes and the constraints of financial systems are regarded by potential entrepreneurs as main hindrances to business innovation and success in developing economies (Marsden, 1992; Meier & Pilgrim, 1994; Steel, 1994). Potential sources of capital may be personal savings, extended family networks, community saving and credit systems, or financial institutions and banks. Robinson (1993) found that informal sources of credit, though with high interest rates, constitute very substantial contributions to business start-ups in developing countries, where the capital to labour ratio is normally low and small amounts of capital may be sufficient for a business start-up.

In developed economies with efficient financial infrastructure, access to capital may represent similar restrictions to individuals' perception of entrepreneurial options because of the high entry barrier ensuing from high capital to labour ratios in most industries. As aforementioned, lack of capital is of problems faced by Indonesian SMEs (Kementerian KUKM & BPS, 2004). A more recent study among Vietnamese SMEs revealed that of internal limitations that hinder SMEs to succeed is capital shortage (Swierczek & Ha, 2003). Hence, capital flexibility as above mentioned is of factors determining business success (Kristiansen, Furuholt & Wahid, 2003).

Atieno (2009) observes that SMEs need external finance to reduce the impact of cash flow problems. External financing is needed for SMEs to start and expand operations,

develop new products, invest in new staff or production facilities. The availability of finance for investment in positive net present value projects is vital to the sustainability and viability of SMEs. Clarke et al. (2010) provide empirical evidence that ac-cess to financial capital positively impacts on firm performance. Martinovic (2008), however, concludes that abnormally high debt to equity ratios can also prove harmful if the firm is excessively leveraged. This implies that the use of debt (a source of financial capital) can negatively impact on the performance of SMEs.

As argued by Olutunla and Obamuyi, (2008), SMEs in Africa and the rest of the developing countries are reluctant to obtain loans because of the collateral security, high interest rate and untimely delivery of credits. This therefore means that business performance in SMEs is compromised and subjected to SMEs capacity to mobilize resources from other sources.

Performance can be either financial or non financial. Financial performance is measured in terms of profitability and returns, while non financial is measured using aspects such as market size, sales growth and perceived success. Lee (2004) worked at a sample of 63 firms from the largest 150 family business in the United States and incorporated a screen on both number of generations and degree of involvement by the family in the firm. He found that family firms had as lower profit margin, but a higher ROA.

"Profitability represents a group of financial measures that are used to asses a business ability to generate earnings as compared to its expenses and other relevant costs incurred during a specific period of time. Profitability measures the performance of a business. Profitability ratios used to determine the performance of a firm are:-
ROA (Return on assets) is a measure of how effectively firm (business) assets are being used to generate profits. It is measured as the ratio of net income to total assets. RONW (Return on Net Worth) is a measure of a corporation's profitability that reveals how much a company generates with the money that shareholders have invested. It is calculated as the ratio of net income to shareholder's equity. ROCE (Return on Capital Employed) is a ratio that indicates the efficiency and profitability of a company's capital investments ROCE should always be higher than the rate at which the company borrows. Otherwise

19

any increase in borrowing will reduce shareholders' earnings. ROCE = Earning before Interest and Taxes (EBIT) upon total Assets – Current Liabilities.

Profit Margin:-This is very useful when comparing companies in similar industries. A higher profit margin indicates a more profitable company that has better control over its cost when compared to its competitors.

Profit margin= Net income

Sales

Sales Turnover: These ratios indicate how a firm utilizes its assets. It indicates how much business a company generates for every additional rupee invested. Sales Turnover=Sales/Assets. EPS (Earning Per Share) represent the portion of a company's profit allocated to each outstanding share of common stock. It is one of the measures of profitability of common shareholders investments and is given by Profit After Tax (PAT) divided by the number of common shares outstanding. Market capitalization: This refers to the value of company. The market value of its outstanding share and is measured by taking the stock price and multiplying it by the total number of shares outstanding. NOPAT (Net Operating Profit after Tax).This is a company's potential cash earnings if its capitalization was unrevealed (that is if it had no debt).It is a more accurate look at operating efficiency for leveraged companies.

Debit Ratio; This leverage ratio indicates the proportion of debt and equity in financing firms assets. It indicates the funds provided by owners and lenders. A high Debt to Equity (DE) ratio indicates that the company credit profile is bad .It provides an indication of the long-term solvency of the firm. The DE ratio is calculated as total debt divided by total equity. Net worth is the total assets minus the total liabilities .It is an important determinant of the value of a business as it comprises all the money that has been invested in it since its inception as well as the retained earning for the duration of its operation .Net worth can be used to determine creditworthiness because it gives a picture of the business investment". (IUP JOURNAL OF BUSINESS STRATEGY VOL 3&4 2009)

2.4.5 Level of Commitment the Family Business Management

The concept of commitment is complex and has been defined in many different ways (see Meyer and Allen,1997 for reviews).This diversity of definitions arises because commitment comes in many forms (e.g. affective, continuance, normative) and may be directed at multiples foci (e.g. organizations groups).The essence of commitment is stability and requires the adoption of a long term orientation towards the focal; relationship[(Anderson and Weitz,2002).In the present context ,we define family commitment as the family's collective intent to continue owning and operating the business.

For family businesses researchers have suggested that families with higher commitment work harder (e.g. Riketta,2002).and perform better(e.g. Mathieu & Zajac).Commitment theory (Meyer &, Allen 1991) suggests that family members commitment to their firm may be rooted in family members sense of responsibility and obligation to the firm.

Family members internalizes the firms value ,norms and belief system thereby creating a feeling of oneness with the firm(Burke and Reitzes,2011)This feeling may shape family members affective and immediate responses to organizational issues such as job satisfaction or financial performance (Bate man and Strasser,2004).Prior research has found that employees with higher commitment to an organization are likely to have higher commitment to an organization are likely to have higher job satisfaction and positive perceptions(about the business (Allen & Griffeth,1999,2001)Likewise family members that are more committed to the family business are likely to view its performance more favorably and be satisfied .Family commitment is seen in the overlap of business and family values (Astrachan et al ,2002).

Commitment is associated with satisfaction intensity direction and duration of work effort and the motivation to contribute additional discretionary effort in the interests of the collective (Meyer and Allen; Riketta2002).Family members committed to their firm will be positively associated with the quality, intensity and duration of effort directed towards supporting the organizations mission and goals.

21

Affective commitment creates conditions under which firms may reduce their reliance on formal controls. Organizational commitment is most strongly associated with extra role discretionary contributions of employees(Riketta,2002).Higher levels of affective organizational commitment increases the probability that employees will contribute efforts on behalf of the organization even absent strong supervision or strict rules and procedures. Therefore through its influence on employees' affective commitment, family commitment can enhance a sense of autonomy, independence and responsibility among their firms' employees.

A·culture of commitment to the business on the part of the family also contributes to a strong organizational identity around which the family firm and its employees can build an enduring relationship.Family involvement in the business offers a unique opportunity to explore business adaptability within the context of the concept of familiness, since family commitment can provide capabilities and a vision that can make the firm more quickly adaptable to signal from the market place (Hatum & Pettigrew, 2004).

2.5   Rules and Regulations

Measures favoring family businesses are (or have been)implemented by different actors and tackles a range of problems taxation, company law, planning the business transfers, awareness raising through lobbying and policy advice ,research and dissemination of information ,promotion of entrepreneurship and family business specific education and family governance. Exchanging the goods practices identified has great potential for development of the sector . The European Commission should continue to play a role in promoting the exchange of information. Family business already benefit from EU policies. The European Commission should continue mainstreaming family business relevant issues in relevant schemes (European Commission, 2009).

National government should consider adopting measures to create a more favorable environment for family business in area of taxation, company laws, and education system,(National government ,2009)

2.6   Performance of Family Business

Performance of family business can be measured in terms of financial performance that refers to the family business being financially profitable and secure. Growth performance is another aspect that can be used to measure performance of the family business that is operationalized as positive trend of growth in the number of employees and profit as well as increasing revenue experienced by family businesses. Furthermore perceived success is also another measure of performance that refers to the family experiencing their on going involvement in the business as satisfying and rereading, as well as beneficial to their family, marriage and personal development.

(Carey Eybers, Shelley Farrington, 2009, Elmane Venter, 2003).

2.7 Conceptual Framework

The relationship between the dependent and independent variables in the study is diagrammatically represented in figure I below.

Independent variables

Extraneous variables
- High interest rate
- Taxes
- Economic recession
- Competition

Education background
- Level of education
- Level of training

Demographic factors
- Age
- Sex
- Marital status

Business Experiences
- Generation contributing in ownership management and supervisory board.

Dependent

Performance of family business
Financial performance (profits)
Growth performance (ma expansion, number of employees)
Perceived success (sales growth)

Availability of capital
- Loan from the bank
- Donation from friends
- Personal savings
- Sale of assets
- Sale of shares

Commitment
- Decision making
- Customer satisfaction
- Value creation

Moderating variable
- Rules & Regulations

Figure 1: Conceptual framework showing relationship between variables

The study will conceptualize that determinants of performance will have an influence on family business, small and medium business in Nakuru town Central business District in Kenya.

The form of education background under consideration is level of education. The study also will conceptualize that demography factors as determined by age, sex, marital status will have an influence on the performance of family business; Business experience as given by generation contributing in ownership management and supervisory board.

Availability of capital as determined by profit Return on Equity, Return on Investment Return on assets and revenue growth will influence the performance of family businesses. Commitment as determined by decision making customer satisfaction and value creation will have influence on performance of family business. This argument will be subjected to various moderating factors such as rules and regulations governing operation of family businesses. This argument will be subjected to various moderating factors such as rules and regulations governing operation of family businesses. Also extraneous variables such as high interest rate, taxes, economic recession and competition influencing the performance of family business.

2.8 Summary of Literature Review

From the literature review above it is established that education background, demographic factors(age, sex, marital status), business experiences, availability of capital and commitment has an influence on performance of family business. It has also been established that education level of family members are directly related to performance of family business.

There is a gap in the understanding the effect of limitations in level of commitment (trust) and business experience in family business in Nakuru town, central business district in Kenya.

In addition the influence of performance on family business needed to be investigated significantly in the area to establish its magnitude. As outlined in this review of literature ,the study seek to establish the influence of these variables on the performance of family businesses in small and medium businesses in Nakuru town, central business district in Kenya.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1   Introduction

This chapter deals with the description of the methods and procedures that will be applied in conducting the research. The chapter deals with research design, location of the study, population, sampling techniques, research instruments, data collection procedures, data analysis, and the types of variables and measurement scale that were employed in the study

3.2   Research Design

A research design is the scheme, outline, plan, structure, or a strategy of investigation conceived so as to obtain answers to research questions and control variance. It provides a framework for planning and conducting a study. It is the 'glue' that holds all the elements in a research project together. It constitutes a blueprint for the collection, measurement and analysis of data (Kothari,2003). The study adopted descriptive research survey design. According to Mouton (2005:55-56) descriptive research is concerned with determining the frequency with which an event occurs or relationship between variables. Mugenda and Mugenda (2003), describes a survey design as an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables. It is a method of collecting information by interviewing or administering questionnaires to a sample of individuals. It can be used to collect information about people's attitudes, opinions habits or any of the variety of education or social issues (Kathuri,1993)

The design was applicable because it enabled the researcher to establish relationships between variables in order to achieve an in depth analysis of the determinants of performance of family business in small and medium business in central Business District, Nakuru Town in Kenya. The design provided self reported facts about respondents and their inner feelings, attitudes, opinions and habits. According to Best and Kahn, (1998) it is appropriate and economical for finding out characteristics and attitudes of a population and a rich source of information.

27

Focus group discussions, secondary research adequately proves that the majority of research in small businesses has applied the qualitative methods of data collection (Richie and Lam, 2006:313-32; Borch and Arthur, 1995; Grant, Gilmore, Carson, Laney and Pickett 2201:66-67). This couped with the definite advantages spelt out earlier made the researcher choose the focus method to collect qualitative data from small and medium family businesses. This created a forum where the researcher and the business practitioner met. Structured and open discussion was done. Respondents discussed issues and the researcher collected the data in the process. These were cross-checked with information collected in the questionnaire.

3.3   Target Population

Target population is defined by Best and Kahn (1998) as a small portion of the population selected for observation and analysis. It also refers to all members of a population to which research findings can be generalized and is an accurate record of the sampling frame from which the sample is to be drawn. The study will target small and medium family businesses selected within Central Business District in Nakuru town, Kenya. According to the municipal council of Nakuru office records,there are 1009 family businesses.

The Nakuru town Central Business District in Kenya will be divided into three business division – small, medium and large. The study will focus on small and medium where 26 categories of family businesses will be targeted. This will give the target population of small and medium family business to be 1,009.

3.4   Sampling Procedure and Sample Size

This section deals with sampling procedure and sample size.

3.4.1   Sampling Procedure

Sampling is the process of selecting a number of individuals or objects for a study in such a way so that the individuals or elements represent the larger group, or the population from which they are selected. The research used probability sampling whose goal is to enable the researcher to select a reasonable number of respondents that represent the target population. Probability sampling provides the researcher with accurate information about groups that are too large to study in their entirety (Mugenda and Mugenda, 2003).

It will give an efficient system of capturing in a small group the variations or heterogeneity that exist in a target population. In this survey the family business variations will be different education background level by business experience availability of capital, commitment and demographic features [age, sex, marital, status]. A list of 1009 registered small and medium family businesses in Nakuru Town Central Business District, Kenya was obtained from Municipal Council of Nakuru Licencing department that served as a sampling frame, These were 26 categories of small and medium family businesses. Stratified random sampling was done to ensure their representation. A total of 26 family businesses small and medium were identified.

Sampling will be based on the Krejcie and Morgan simple size table as shown in appendix 10, where N =Population and n = sample size. Appendix 10

3.4.2 Sample Size

Sample is a smaller group obtained from the accessible population Mugenda and Mugenda (2003). The determination of sample size was done using Cochran's(1977) formulas. In Cochran's formula, the alpha level is incorporated into the formula by utilizing the t-value for the alpha level selected (e.g. t-value for alpha level of 0.05 is 1.96 for sample size above 120). For categorical data, 5%margin of error is acceptable (Krejcie and Morgan 1970). Cochran's sample size formula for categorical data is:

$$n= \frac{(t)^2 p q}{d^2}$$

$$n= \frac{(1.96)^2(.50)(.50)}{(.50)^2}$$

n= 384

n= the desired sample size

t= value of selected alpha level of .025 in each tail=1.96 (the alpha level of .05 indicates the level of risk the researcher is willing to take, true margin of error may exceed the margin of acceptable margin of error

(p)(q)= estimate of variance=.25 (Maximum possible proportion (.50) 1-maximum possible proportion (.50) produces maximum possible sample size)

d= acceptable margin of error for proportion being estimated=.50 (Error researcher is willing to accept)

Therefore, for a population of 1009 Small and medium family businesses, the required sample size is calculated as follows:

$n_f = N$

   (1+n/Population)

$n_f = 384$

   (1+384/1009)

$n_f = 278$

Using the Krejcie and Morgan sample size table, the researcher found that the sample size should be 278 small and medium family businesses (Krejcie and Morgan, 1970). This is supported by what was calculated by Cochran's (1977) formula. The sample size of the study is shown on table 3.1

The study will use sample of 278 small and medium family business and distributed questionnaires to all the 26 categories of small and medium family businesses. The 278 small medium family businesses involved will be randomly selected from the municipal council of Nakuru (Local Authority Integrated Financial Operation Management System, Business Register, 2012) questionnaires administered to them. Stratification of the small and medium family business will be done so that members driven from each stratum has an equal chance of being selected. Due to the variability in the family business small and medium population in the target business, the sample size figure [278] will be distributed proportionately according to the member of family businesses. Similarity the sample size allocated to each family business has been divided to the target size, depending on the proportionate number of business in each area. The figures arrived at are shown in the Table 3.1

Table 3. 1: Sample Population of Small and Medium Family Businesses Within Nakuru town, CBD

S/NO	Small and medium family businesses	Target population(T)	Sample size(n)	Percentage(p)
1	Bookshops	20	6	2
2	Agro-chemicals	10	2	1
3	Medical services(clinics)	20	6	2
4	Studios	15	2	1
5	Hotels	20	6	2
6	Restaurant	24	6	2
7	Boutiques	40	11	4
8	Cosmetics	50	14	5
9	Cybercafé	50	14	5
10	Supermarkets	10	2	1
11	Barbershops	40	11	4
12	Saloon	60	17	6
13	Chemists	50	14	5
14	Hardware	20	6	2
15	Electronics	50	14	5
16	M-pesa	100	28	10
17	Agencies	50	14	5
18	Artwork/ceramics	30	8	3
19	Advocacy	30	8	3
20	Motoring schools	30	8	3
21	Petrol stations	10	2	1
22	Butchery	100	28	10
23	Carwash	50	14	5
24	Footwear	50	14	5
25	Bureau(photocopy/printing)	60	17	6
26	Professional	20	6	2
	Total	1009	278	100

KEY T- Target population of Small and Medium family Businesses
        P- Target population represented as a percentage

Source: Municipal Council of Nakuru Licensing Department

The percentage of the target population of each business was first obtained by dividing the total number of fairly businesses [small and medium] in each business by the total target population in the division and multiplying the resultant figure by 100.

Example, Bookshops; {20/1009} x 100 =2%

The sample size of each family business was then be determined by multiplying the resultant percentage of the target population by the overall sample size (278).

31

Example, Bookshops; {2/100} x 278 = 6 Small and Medium Family Businesses. .

The sample size of each family business was distributed proportionately to the businesses depending on the performance. The same formula for calculating the sample size of each family business was used.

The study sought additional information on the topic under study by conducting a focus group discussion [FGD] with the business operatives, from 26 randomly selected businesses from the CBD. This number was considered since too few would not give the interaction that adds value over individual interviews; too many and participants would not be able to participate fully. A schedule for the discussion was used to guide the exercise, see appendix. This process was undertaken in a business that was suitably located in the study area.

3.5   Data Collection Instruments

A set of questionnaires containing both structured and unstructured questions will be used for the study to collect primary data. Questionnaire is a collection of items or questions to which research subject is expected to respond. The questionnaire may consist of one or more set of questions depending on the aspect of data to be collected (Kathuri, 1993). This targeted the family business (small and medium). The study preferred the use of questionnaires because of the simplicity in their administration, scoring of items and analysis (Mugenda and Mugenda, 2003). The primary data was gathered using the questionnaires administered by the researcher. The questionnaires were divided into sections and developed based on the research objectives in order to capture relevant information: Section 1; General information. Section 2; Education background of business operatives. Section 3; Demographic factors of business operatives. This sub-section dealt with age, sex, and marital status. Section 4; Level of business experience. Section 5; Availability of capital. Section 6; Level of business commitment. Section 7; Rules and regulations governing businesses. Section 8; Business performance. Three sub-sections dealt with employees, sales growth, market expansion and profit. The family

businesses were expected to provide information regarded education background, demographic factures (age, sex, marital status) level of business experiences, availability of capital and level of commitment. The focus group discussion with the family business operatives sought to provide additional information regarding family business performances. Focus group discussions are more flexible than set of questions and encourage group interaction. They provide an opportunity to gather and probe insights of participants. The information gathered was qualitative {opinions, insights, and personal responses) as opposed to quantitative (uniform facts).The questionnaire combined both open ended and close ended questions to allow respondents to have an opportunity to give more insight of the research problem and also facilitate consistency of responses among the respondents.

In this study, data was collected through a drop and pick method where the questionnaires were delivered to the target family businesses and collected after four hours. The questionnaires were delivered to the respective manager and employees were briefed by the researcher in order to help in the administration of the questionnaires. The focus group discussion with the family business operatives was scheduled and under taken in one of the businesses found to be suitably located within the study area. The whole process of data collection will be administered personally by the researcher, through self administration of questionnaires and interviews.

3.5.1 Piloting of the study

The researcher administered a set of designed structured and unstructured questionnaires through a pilot study to appraise the questionnaires soundness of the items and to estimate time required to answer the items. The pilot study covered 26 small and medium family businesses in O'l kalou town. The results of the pilot study were discussed with the respondents to make the required adjustment. The major objective was to test the instrument validity and reliability.

3.5.2 Validity of Research Instruments

Validity is the degree to which a test measures what it purports to measure, Thietart et al (2001:196-219), Hardy and Bryman (2004:23) define validity as the accuracy and meaningfulness of the inferences, which are based on the research results. It is the degree to which result obtained from the analysis of the data actually represents the phenomena under study. Mouly and Sankaran (2004) contend that the validity of the questionnaire data depends on a crucial way the ability and willingness of the respondents to give the information requested. Construct and content validity of the questionnaire and the focus group discussion schedule were determined by the help of experts (such as the research supervisor). This was expected to give guidance to ensure that the instruments were constructed in a manner that would not mislead the respondents in the course of providing information. This also ensured that the items in the instrument were a representative tale of the skills and traits that comprised the area to be measured and more importantly to ensure that the research objectives will be addressed by the information sought in the instrument.

3.5.3 Reliability of Research Instruments

Mugenda and Mugenda, [2003] defines reliability of an instrument as the degree of consistency with which it measures a variable. It is conceived with estimates of the degree to which a research instrument yield consistent results or data after repeated trials. The reliability of a standardized test is usually expressed as a correlation coefficient, which measures the strength of association between variables. Such coefficient vary between -1.00 and +1.00 with the former showing that there is a perfect negative reliability and the latter shows that there is perfect positive reliability, which is an ideal situation. In my pilot study reliability was ascertained by splitting the instruments into two, placing all odd numbers in one sub-set and all even items in another sub-set and then finding the coefficient of internal consistency. The reliability was estimated to be 0.70 indicating that the instruments would be more reliable. The questionnaire combined open-ended and close –ended questions to be administered to the respondents. This allowed respondents to have an opportunity to give more insight of the research problem

and facilitate consistency of responses among the respondents. The results of the data collected from the pre-test administered in the selected family businesses small and medium helped in restructuring the questionnaires by paraphrasing questions that appeared ambiguous to respondents. Cross-checking of the research instruments was also done with the guidance of the research supervisor. This helped to enhance the reliability of the research instrument.

3.6   Data Collection Procedure

The letter of request to conduct the research was sent to the University of Nairobi, Department of Extra-Mural Studies, Nakuru Campus. A letter of introduction to collect the data was obtained; official authorization was also obtained from the Office of the President through the Nakuru District Commissioner and Ministry of Local Government through the Municipal Council of Nakuru prior to administering the questionnaires to the respondents. The questionnaires for small and medium family businesses together with the letter from the University of Nairobi were dropped to the respective businesses. The researcher followed up on the progress of the collection of questionnaires by walking around. The researcher also tried to meet some of the small and medium family businesses personally in order to explain to them about the data required for the study and to request that they answer all of the questions and complete the questionnaires.

3.7   Data Analysis Techniques

Data analysis was done through a combination of both descriptive and inferential statistics. Data collected was coded with regard to the type and source. Data was analyzed and interpreted both qualitatively in the light of the research objectives. Analysis of data was conducted with the aid of the Statistical Package for Social Sciences (SPSS) version 16.0 for windows and Microsoft Excel 2007 computer software. Qualitative statistical techniques were used to describe and summarize data. Data was analyzed for descriptive statistics (frequencies and percentages) and inferential statistics (Pearson Product Moment Correlations). The degree of association between two variables (correlation) was described by a number (termed as coefficient) indicating the strength of association. Pearson correlation (r) at 0.05 significant level was considered significant in the relationships tested, except in a few cases where 0.01 significant level was used. The results were then presented in the form of tables.

3.8   Ethical Considerations

The study ensured that official authorization was obtained from the Office of the President through the Nakuru District Commissioner and Ministry of Local Government through the Town clerk, Municipal Council of Nakuru Office prior to collection of data from the target population(see appendixes). The study informed the respondents of the purpose of the study and give them a written assurance that data collected was to be used only for research purposes and that strict confidentiality will be observed. In addition, this study also sought consent of the respondents.

3.9   Operational Definitions of Variables.

This section presents the dependent and independent variables, the associated indicators and how they were measured. The data collection instrument were outlined and the scales of measure represented .The technique that were used for the analysis of data were also laid down .The independent variables were operationalized as shown in the Table 3.2

Table 3. 2: Table of Operationalization Of Variables

Objectives	Variables	Indicators	Measurement	Measuring scale	Tools of data collection	Data analysis techniques
To determine the extent to which education background influences performance of family businesses small and medium business in Nakuru town Central Business District, Kenya	**Dependant** Performance of family business	Profit	Amount of earned in a given period of time	Ordinal	Questionnaire Focused group discussion (FGD)	Frequencies Percentage Correlation
		Growth of the firm(market expansion)	Number of customers			
		Sales growth	Number of transactions			
		Employees	Number of employees		Questionnaire	Frequencies and
	Independent Education background	Level of education	Primary Secondary Technical University	Interval	Focused group discussion (FGD)	percentages
To establish how demographic factors(age, sex, marital status) influences performance of family business, small and medium businesses in Nakuru town Central Business District, Kenya	**Independent Variable** Demographic factors	Age Sex Marital status	Number of years Male/female Married Single Divorced Separated	Ratio Nominal Nominal	Questionnaire Focused group discussion (FGD)	Frequencies Percentage Correlation

37

Continuation of Table 3.2; Operational Definition of variables

Objectives	Variables	Indicators	Measurement	Measuring scale	Tools of data collection	Data analysis techniques
To examine how the level of business experience influence performance of family business small and medium business in Nakuru town Central Business District, Kenya	**Independent Variable** Level of business experience	Duration	Number of years operating the business	Ratio	Questionnaire Focused group discussion (FGD)	Frequencies Percentage Correlation
To assess how availability of capital performance of family business small and medium business in Nakuru town Central Business District, Kenya	**Independent Variable** Availability of capital	Source of capital	Loans Donation from friends Sale of shares Sale of Assets Own savings Family contributions	Ratio	Questionnaire Focused group discussion (FGD)	Frequencies Percentages Correlations

Continuation of Table 3.2; Operational Definition of variables

Objectives	Variables	Indicators	Measurement	Measuring scale	Tools of data collection	Data analysis techniques
To explore the extent to which commitment influences the performance of family business small and medium business in Nakuru town Central Business District, Kenya	**Independent Variable** Commitment	Decision making customer satisfactory Value creation Duration	Positive achievement in the business Providing quality goods to customers Meeting customers' needs Number of hours spent in the business	Ordinal Ratio	Questionnaire Focused group discussion (FGD)	Frequencies Percentages Correlations

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents findings of the study. The chapter is presented under subheadings which include: Demographic characteristics of the respondents, the extent to which education background of family management influences performance of family business; how demographic factors (age, sex, marital status) influences performance of family business; how the level of business experience influences performance of family business; how availability of capital influences performance of family business; and the extent to which commitment influences the performance of family business. Data was collected from small and medium family businesses in the Central Business District in Nakuru town Kenya. The sections below present the study finding thematically in accordance to the study objectives. The chapter will be concluded by a detailed discussion sections.

4.2 Questionnaire Return Rate

A total of 278 questionnaires were distributed to 26 categories of small and medium family businesses in Nakuru Town Central Business District and the response rate is given in Table 4.1 below.

Table 4. 1: Questionnaire Return Rate

S/No	Small and medium family businesses	Target Number of Respondents	Actual Number of Respondents	Percentage represented	Return rate
1	Bookshops	6	5	2	83
2	Agro-chemicals	2	2	1	100
3	Medical services(clinics)	6	4	2	67
4	Studios	2	2	1	100
5	Hotels	6	4	2	67
6	Restaurant	6	5	2	83
7	Boutiques	11	8	4	73
8	Cosmetics	14	12	6	86
9	Cybercafé	14	10	5	71
10	Supermarkets	2	2	1	100
11	Barbershops	11	8	4	73
12	Saloon	17	12	6	71
13	Chemists	14	10	5	71
14	Hardware	6	4	2	67

Continuation of Table 4.1

S/No	Small and medium family businesses	Target Number of Respondents	Actual Number of Respondents	Percentage represented	Return rate
15	Electronics	14	10	5	71
16	M-pesa	28	20	10	71
17	Agencies	14	10	5	71
18	Artwork/ceramics	8	6	3	75
19	Advocacy	8	6	3	75
20	Motoring schools	8	6	3	75
21	Petrol stations	2	2	1	100
22	Butchery	28	20	10	71
23	Carwash	14	10	5	71
24	Footwear	14	10	5	71
25	Bureau(photocopy /printing)	17	12	6	71
26	Professional	6	4	2	67
	Total	278	204	100	73

There was a response from 204 respondents out of the 278 target respondent to the 26 categories of small and medium family businesses, thus translating to 73% of the target respondents. The reason cited in the cases of non response was misplacement of the questionnaires.

4.3 General Characteristics of the Respondents

This section presents the findings in respect to the General Characteristics of the Respondents

4.3.1 Category of business venture in terms of employees

The results for the category of the business venture in terms of employees was as given in Table 4.2

Table 4. 2: Category of business venture in terms of employees

Response	Frequency	Percent
Small 1 - 20	161	79%
Medium 21 - 50	43	21%
Total	204	100%

41

The findings show that the majority of the respondents 161 (79%) indicated that they belonged to the small enterprise category, which had between one and twenty employees, while 43 (21%) indicated that they belonged to the medium enterprises category which had between twenty one and fifty employees.

These results agreed with the findings of the Focus Group Discussion (FGD) carried out with senior management of fifteen selected small and medium family businesses within the study area that revealed that majority of business ventures were small.

4.3.2 Ownership of the business

The results for ownership of business was as proved in Table 4.3

Table 4. 3: Type of Ownership of the business

Response	Frequency	Percentage
Sole proprietorship	141	69%
Partnership	60	29%
Company	3	1%
Total	204	100%

The findings shows that most of the businesses 141(69%) were sole proprietorships, 60 (29%) were partnerships, while 3(1%) was companies. This implies that the majority of the SME in Nakuru town belonged to the sole proprietorship category. This could be attributed to the simplicity associated with starting and running a sole proprietorship as opposed to a company.

4.3.3 Target market for the businesses

The results in respect to the SMEs target market was as given in Table 4.4

Table 4. 4: Target market for the businesses

Response	Frequency	Percentage
Local (within Nakuru town)	87	43%
Visitors (outside Nakuru)	24	12%
Both	93	46%
Total	204	100%

The findings revealed that 93 (46%) of the respondents indicated that their target market was both local (within Nakuru town) and visitors (outside Nakuru town), 87 (43%) indicated that there target market was visitors. The interpretation was that majority of the business 88% had the local as their target market and was likely to steer competition.

4.3.4 Occupation of the respondents besides business involvement

The findings in respect to the occupation of the respondents besides business involvement were provided in Table 4.5. The table presents gender proportion per each occupation as it emerges in the study.

Table 4. 5: Occupation of the respondents besides business involvement

| | | Gender | | | | Total | |
| | | Male | | Female | | | |
		F	%	F	%	·F	%
Your Occupation	Farmer	15	7	18	9	33	16
	Engineer	6	3	0	0	6	3
	Professional	2˙	1	4	2	6	3
	Teacher	12	6	7	3	19	9
	Lawyer	3	1	3	1	6	3
	Business man / woman	50	25	51	25	101	50
	Doctor	11	5	7	3	18	9
	Politician	3	1	5	2	8	4
	Designer	0	0	2	1	2	1
	Saloon	0	0	3	1	3	1
	Technician	2	1	0	0	2	1
Total		104	51	100	49	204	100

According to the table, the study respondents comprised of 104 (51%) male and female. This was geared at giving a fair representation to both genders. It was established that most of the respondents were 50% business men/women by occupation represented by 25% male and 25% female respondents. This was followed by 16% farmers, 9% doctors, 9% teachers, 4% politicians, 3% trained engineers, 3% professionals and others (designer, saloonists and technicians) each holding 1%.

4.3.5 Classification of businesses according to sector

A classification of the businesses operated by the respondents in accordance to sector was as given in Table 4.6.

Table 4. 6: Classification of businesses according to Sector

S/No	Small and medium family businesses	Target Number of Respondents	Actual Number of Respondents	Percentage represented
1	Bookshops	6	4	2
2	Agro-chemicals	2	2	1
3	Medical services(clinics)	6	4	2
4	Studios	2	3	1
5	Hotels	6	4	2
6	Restaurant	6	5	2
7	Boutiques	11	8	4
8	Cosmetics	14	10	5
9	Cybercafé	14	10	5
10	Supermarkets	2	2	1
11	Barbershops	11	8	4
12	Saloon	17	12	6
13	Chemists	14	10	5
14	Hardware	6	4	2
15	Electronics	14	10	5
16	M-pesa	28	20	10
17	Agencies	14	10	5
18	Artwork/ceramics	8	6	3
19	Advocacy	8	6	3
20	Motoring schools	8	6	3
21	Petrol stations	2	2	1
22	Butchery	28	20	10
23	Carwash	14	10	5
24	Footwear	14	10	5
25	Bureau(photocopy/printing)	17	12	6
26	Professional	6	4	2
	Total	278	204	100%

The distribution of the sample took the form reflected in Table 4.6 as proposed in Chapter 3 (ref Table 3.1), with majority of the businesses being selected from the M-Pesa and Butcheries owing to their large numbers in Nakuru Town.

4.3.6 Job status

The response for the respondents' status was as given in the Table 4.7

Table 4. 7: Job status

Response	Frequency	Percentage
Top management	102	50
Middle management	62	30
First level supervisor	20	10
Non management	20	10
Total	204	100

The findings show that the study respondents comprised of 102 (50%) top management, 62 (30%) middle management, 20 (10%) first level supervisor and 20 (10%) being non management employees. This enable the research obtain diverse from all these categories.

4.3.7 Having Social Policy

The responses to the whether or not the SMEs had a social policy was as provided in Table 4.3. The response was provided comparatively between small and medium enterprises on the basis number of employees.

Table 4. 8: Having Social Policy

		Category of business venture in terms of employees				Total	Total %
		Small 1-20	%	Medium 21 - 50	%		
Does your business have a corporate social policy	Yes	50	25	15	7	65	32
	No	111	54	28	14	139	68
Total		161	79	43	21	204	100

The results show that majority of the SMEs 111(54%) that did not have a social policy were from the small 1-20 category, 28 (14%) of the medium enterprises did not have a social policy, while a small percentage 50 (25%) small and 15 (7%) medium enterprises

had a social policy. Overall, 139 (68%) did not have a social policy and this was not favorable to the growth and sustainability of the business, concurrently unfavorable to performance.

4.3.8 Age in Years

The response for respondents age in years were as provided in Table 4

Table 4. 9: Age in Years

Response	Frequency	Percentage
Less than 30 years	78	38%
31 - 40 years	102	50%
41 - 50 years	23	11%
More than 50 years	1	1%
Total	204	100%

Majority of the respondents 180 (88%) of the respondents were aged below 40 years, while 24 (12%) were aged above 41 years. This implied that the SME sector was dominated by youthful members of the community, with energies to propel the firm towards desirable profitability.

4.3.9 Number of Years in business

The respondents were asked to indicate the number of years they had worked in business and the responses was as given in Table 4.10

Table 4. 10: Number of Years in business

Response	Frequency	Percentage
1-3 years	86	42.2
4-6 years	52	25.5
7-9 years	42	20.6
10 years and above	24	11.8
Total	204	100

The findings shows that most of the respondents (business owners and managers) 86 (42.2%) had worked in business for a period of 1-3 years, 52 (25.5%) had worked in a business for period of 4-6 years, whereas 42 (20.6%) had worked for a period of 7-9 years, while 24 (11.8%) had worked for a period of 10years and above . the findings can be interpreted thus, that majority of the respondents 118 (57.9%) had worked for a period of more than 4 years, and therefore could be relied upon to promote desired performance.

4.3.10 Part timing in the business

The respondents were asked to indicate whether or not they were part timers in business and the response was given as given in Table 4.11

Table 4. 11: Part timing in the business

Response	Frequency	Percentage
Not at all	101	49.5
To a small extent	30	14.7
To a moderate extent	18	8.8
To a great extent	25	12.3
To very great extent	30	14.7
Total	204	100

The finding reveals that majority of the respondents 131 (64.2%) indicated that they either did not work as part time in their business or they did to a small extent; while 73 (35.8%) indicated that they worked for their business as part times for a great extent. The interpretation was that majority of the owned managers of the SME worked for their business a full timers.

4.4 The extent to which Education Background of family management influences performance of family business

This section presents the findings in respect to objective 1, which sought to establish the extent to which education background of family management influences performance of family business in Nakuru town Central Business District.

4.4.1 Highest Level of Education obtained

The results for the highest level of education attained by the respondents were as given in Table 4.12 below.

Table 4. 12: Highest Level of Education obtained

Response	Frequency	Percentage
Primary school	6	3%
Polytechnic	1	1%
Secondary school	36	18%
Diploma tertiary / technical college	87	43%
Degree (university)	34	17%
Masters degree (university)	26	13%
PhD degree (university)	14	6%
Total	204	100%

It is established that most of the respondents 87(43%) had attained diploma tertiary/technical college level, 36(18%) indicated secondary level, 34(17%) indicated degree level, 26(13%) indicated they had attained Masters Degree level, 14(6%) PhD degree level, while 1(1%) attained polytechnic level. The interpretation was that majority of the small business owners and managers 161 (79%) had attained either diploma tertiary level or above. This is a positive indicator in modern times.

4.4.2 Relationship between Highest Level of Education and Profit Status

The result showing the relationship between highest level of education and profit status was as given in Table 4.13

Table 4. 13: Relationship between Highest Level of Education and Profit Status

| | | Higher education level | | | | | | | | | | | | |
| | | Primary school | | Secondary school | | Diploma tertiary / technical college | | Degree (university) | | Masters degree | | PhD degree | | polytechn | |
		F	%	F	%	F	%	F	%	F	%	F	%	F	%
Profit in 2011 compared to the previous year	N/A			1	3	5	6								
	Decreased			3	8	10	12					1	7		
	Static / Same			4	11	8	9	6	18	1	4	5	36	'	
	Increased	6	100	28	78	64	74	28	82	25	96	8	57	1	10
Total		6	100	36	100	87	100	34	100	26	100	14	100	1	10

The findings show that all those respondents 6 (100%) who had attained primary school level, all those who had attained Polytechnic educational level, 28 (78%) of those who had attained secondary school education, 64 (74%) of those who had attained Diploma tertiary / technical college, 28 (82%) of those who had attained Degree (university), 25(96%) of those who had attained Masters degree, and 8 (57%) of those who had attained PhD degree (100%) reported that their businesses reported an increase in profit in 2011 compared to the previous year. This implied that businesses recorded an increase in profit performance regardless of the level of education of the managers or owners.

4.4.3 Relationship between Highest Level of Education and Present Sales Performance of Business

The result showing the relationship between highest level of education and present sales performance of respondents' business was as given in Table 4.14

Table 4. 14: Relationship between Highest Level of Education and Present Sales Performance of Business

		Higher education level												
		Primary school		Secondary school		Diploma tertiary / technical college		Degree		Masters degree		PhD degree		polytechnic
		F	%	F	%	F	%	F	%	F	%	F	%	F	%
Evaluation of present sales performance of your business	Poor			3	8										
	Fair			2	6	6	7	8	24	1	4	1	7		
	Good	2	33	17	47	50	58	10	29	5	19	5	36	1	10
	Very Good	3	50	10	28	18	21	9	27	12	46	7	50		
	Excellent	1	17	4	11	13	15	7	21	8	31	1	7		
Total		6	100	36	100	87	100	34	100	26	100	14	100	1	10

The findings show all the respondents rated who had attained primary school level 87(100%); all those who had attained Polytechnic educational level; 84% of those who had attained secondary education level, 93% of those who had attained Diploma tertiary / technical college, 76% of those who had attained Degree (university), 96% of those who had attained Masters degree, and 97% of those who had attained PhD degree rated the present sales performance of their business as good through to very good. This implied that businesses across the divide experienced a good present sales performance regardless of the level of education of the managers or owners.

4.4.4 Relationship between Highest Level of Education and Present Market Performance of Business

The result showing the relationship between highest level of education and present market performance of respondents' business was as given in Table 4.15

Table 4. 15: Relationship between Highest Level of Education and Present Market Performance of Business

		Higher education level												
		Primary school		Secondary school		Diploma tertiary / technical college		Degree		Masters degree		PhD. degree		polytechnic	
		F	%	F	%	F	%	F	%	F	%	F	%	F	%
Evaluation of present market performance of your business	Poor			2	6	1	1								
	Fair	2	33	6	17	24	28	7	21			2	14		
	Good			17	47	29	33	13	38	7	27	7	50	1	100
	Very Good	3	50	8	22	19	22	8	24	16	62	5	36		
	Excellent	1	17	3	8	14	16	6	18	3	12				
Total		6	100	36	100	87	100	34	100	26	100	14	100	1	100

The findings show that all the respondents who had attained Masters Degree and those who had attained Polytechnic level; majority of the respondents (67%) who indicated to have attained primary school; 67% who indicated to have attained secondary school; 71% who indicated to have attained Diploma tertiary / technical college level; 79% who indicated to have attained Degree level; 79% who had attained a PhD degree level rated present market performance of their business as good through to excellent.

4.5 How demographic factors (age, sex, marital status) influences performance of family business

This section presents the findings in respect to objective 2, which sought to establish how demographic factors (age, sex, marital status) influences performance of family business in Nakuru town Central Business District.

4.5.1 Marital Status of the respondents

The response for the marital status of the respondents was as given in Table 4.16

Table 4. 16: Marital Status of the respondents

Response	Frequency	Percentage
Married	147	72
Single	48	24
Divorced	4	2
Separated	5	2
Total	204	100

The findings show that 147 (72%)of the respondents were married, 48 (24%) single, 4 (2%)divorced and 5 (2%) separated. This showed that that there was a high level of involvement of married persons in family businesses studied. This could be attributed to family responsibilities borne / shouldered at family level by the business owners.

4.5.2 Relationship between Marital Status and Ownership Type

The findings in respect to the relationship between marital status and ownership type was as given in Table 4.17

Table 4. 17: Relationship between Marital Status and Ownership Type

		Marital Status							
		Married		Single		Divorced		Separated	
		F	%	F	%	F	%	F	%
Ownership type of business	Sole proprietorship	103	73	28	58	2	50	3	60
	Partnership	38	26	18	38	2	50	2	40
	Company	1	1	2	4				
Total		147	100	48	100	4	100	5	100

The findings show that 103 (73%) of the married respondents; 28 (58%) of the single respondents; 2 (50%) of the divorced and 3 (60%) of the separated respondents operated the Sole proprietorship type of business. It also shown that 38 (26%) of the married respondents, 18 (38%) of the single respondents; 2 (50%) of the divorced and 2 (40%) of the separated respondents operated the Partnership type of business. Only 1 (1%) of the married respondents, 2 (4%) of the single respondents operated a company type of business. This showed that in the divide of marital status most family businesses took the nature of sole proprietorship. This could to easy business start up processes and requirements

4.5.3 Relationship between Marital Status and Business Present Sales Performance

The findings in respect to the relationship between marital status and Present Sales Performance of respondents' business was as given in Table 4.18

Table 4. 18: Relationship between Marital Status and Business Present Sales Performance

		Married		Single		Divorced		Separated	
		F	%	F	%	F	%	F	%
Evaluation of present sales performance of your business	Poor	2	1	1	2	0	0	0	0
	Fair	17	12	1	2	0	0	0	0
	Good	59	40	25	52	2	50	· 4	80
	Very Good	43	29	14	29	1	25	1	20
	Excellent	26	18	7	15	1	25	0	0
Total		147	100	48	100	4	100	5	100

The findings show that 128 (87%) of the married respondents; 46 (96%) of the single respondents; 4 (100%) of the divorced respondents and 5 (100%) of the separated respondents rated the present sales performance of their business as good through to excellent. Only 19 (13%) of the married respondents and 2 (4%) of the single respondents rated the present sales performance of their business as poor if not fair. This implied sales performance was not a function of marital status.

53

The findings show that 103 (73%) of the married respondents; 28 (58%) of the single respondents; 2 (50%) of the divorced and 3 (60%) of the separated respondents operated the Sole proprietorship type of business. It also shown that 38 (26%) of the married respondents, 18 (38%) of the single respondents; 2 (50%) of the divorced and 2 (40%) of the separated respondents operated the Partnership type of business. Only 1 (1%) of the married respondents, 2 (4%) of the single respondents operated a company type of business. This showed that in the divide of marital status most family businesses took the nature of sole proprietorship. This could to easy business start up processes and requirements

4.5.3 Relationship between Marital Status and Business Present Sales Performance

The findings in respect to the relationship between marital status and Present Sales Performance of respondents' business was as given in Table 4.18

Table 4. 18: Relationship between Marital Status and Business Present Sales Performance

		Marital Status							
		Married		Single		Divorced		Separated	
		F	%	F	%	F	%	F	%
Evaluation of present sales performance of your business	Poor	2	1	1	2	0	0	0	0
	Fair	17	12	1	2	0	0	0	0
	Good	59	40	25	52	2	50	· 4	80
	Very Good	43	29	14	29	1	25	1	20
	Excellent	26	18	7	15	1	25	0	0
Total		147	100	48	100	4	100	5	100

The findings show that 128 (87%) of the married respondents; 46 (96%) of the single respondents; 4 (100%) of the divorced respondents and 5 (100%) of the separated respondents rated the present sales performance of their business as good through to excellent. Only 19 (13%) of the married respondents and 2 (4%) of the single respondents rated the present sales performance of their business as poor if not fair. This implied sales performance was not a function of marital status.

4.5.4 Relationship between Marital Status and Business' Present Market Performance

The findings in respect to the relationship between marital status and present market performance of respondents' business was as given in Table 4.19

Table 4. 19: Relationship between Marital Status and Business' Present Market Performance

| | | Marital Status | | | | | | | |
| | | Married | | Single | | Divorced | | Separated | |
		F	%	F	%	F	%	F	%
Evaluation of present market performance of your business	Poor	2	1	1	2				
	Fair	29	20	10	21	2	50		
	Good	54	37	19	40			1	20%
	Very Good	41	28	12	25	2	50	4	80%
	Excellent	21	14	6	13				
Total		147	100	48	100	4	100	5	100

The findings show that 116 (79%) of the married respondents; 37 (88%) of the single respondents; 50 (50%) of the divorced respondents, and 100% of the separated respondents rated the present market performance of their business as good through to excellent. This implied that marital status did not have an influence on the market performance of the businesses.

4.5.5 Relationship between Marital Status and Profit Status in 2011

The findings in respect to the relationship between marital status and profit status in 2011 was as given in table 4.20

Table 4. 20: Relationship between Marital Status and Profit Status in 2011

		Marital Status							
		Married		Single		Divorced		Separated	
		F	%	F	%	F	%	F	%
What is your profit in 2011 compared to the previous year	Not applicable	6	4						
	Decreased	5	3	7	15	1	25	1	20
	Static / Same	15	10	6	13	2	50	1	20
	Increased	121	82	35	73	1	25	3	60
Total		147	100	48	100	4	100	5	100

The findings show that 121 (82%) of the married respondents, 35 (73%) of the single respondents; 1 (25%) of the divorced respondents, and 3 (60%) of the separated respondents indicated a profit increase in 2011 compared to the previous year, while the rest in the marital status categories reported a decrease or static status.

4.5.6 Relationship between Respondents' Age and Market Performance of their Business

The result in respect to the respondents' age and market performance of their business was as given in Table 4.21.

Table 4. 21: Relationship between Respondents' Age and Market Performance of their Business

		Age in years							
		Less than 30 years		31 - 40 years		41 - 50 years		More than 50 years	
		F	%	F	%	F	%	F	%
Evaluation of present market performance of your business	Poor	1	1	2	2				
	Fair	23	30	15	15	3	13		
	Good	20	26	47	46	7	30		
	Very Good	23	30	26	26	9	39	1	100
	Excellent	11	13	12	12	4	17		
Total		78	100%	102	100	23	100	1	100

The findings show that 54 (69%) of the respondents aged less than 30 years; 85 (83%) of those aged between 31 and 40 years; 20 (87%) of those aged between 41 and 50 years; all the respondents aged more than 50 years rated market performance of their business as good through to excellent, while the rest of the respondents in each age bracket rated it as fair if not poor.

4.5.7 Relationship between Respondents' Age and profit in 2011 compared to the previous year

The result in respect to the respondents' age and market performance of their business was as given in Table 4.22.

Table 4. 22: Relationship between Respondents' Age and profit in 2011 compared to the previous year

		Age in years							
		Less than 30 years		31 - 40 years		41 - 50 years		More than 50 years	
		F	%	F	%	F	%	F	%
What is your profit in 2011 compared to the previous year	Not applicable	6	8						
	Decreased	8	10	6	6				
	Static / Same	10	13	11	11	3	13		
	Increased	54	69	85	83	20	87	1	100%
Total		78	100%	102	100	23	100	1	100

The findings show that 54 (69%) of the respondents aged less than 30 years; 85 (83%) of those aged between 31 and 40 years; 20 (87%) of those aged between 41 and 50 years; all the respondents aged more than 50 years indicated that their business profits had increased of their business as good through to excellent, while the rest of the respondents in each age bracket rated it as fair if not poor. The findings also showed that 10 (13%)of the respondents aged less than 30 years; and 11 (11%) of those aged between 31 and 40 years indicated their business profits recorded no profit increase nor reduction (was static).

4.5.8 Relationship between Respondents' Gender and Profit in 2011 compared to the previous year

The result in respect to the respondents' gender and profit in 2011 compared to the previous year was as given in Table 4.23.

Table 4. 23: Relationship between Respondents' Gender and Profit in 2011 compared to the previous year

		Gender			
		Male		Female	
		F	%	F	%
What is your profit in 2011 compared to the previous year	Not applicable	1	1	5	5%
	Decreased	6	6	8	8%
	Static / Same	12	12	12	12%
	Increased	85	82	75	75%
Total		104	100	100	100

The findings show that 82 (85%) of the male and 75 (75%) of the female indicated that their business profits had increased in 2011 compared to the previous year, whereas 12 (12%) of the respondents in each gender category reported a static status, 7 (7%) of the male and 13 (13%) reported a decrease in profits or declined to provide a response.

4.5.9 Relationship between Respondents' Gender and Sales Growth in 2011 compared to the previous year

The result in respect to the respondents' gender and sales growth in 2011 compared to the previous year was as given in Table 4.24.

Table 4. 24: Relationship between Respondents' Gender and Sales Growth in 2011 compared to the previous year

| | | Gender | | | |
| | | Male | | Female | |
		F	%	F	%
What is your sales growth in 2011 compared to the previous year	Not applicable	2	2	5	5%
	Decreased	11	11	10	10%
	Static / Same	14	14	18	18%
	Increased	77	74	67	67%
Total		104	100	100	100

The findings show that 74 (77%) of the male and 67 (67%) of the female indicated that their business profits had increased in 2011 compared to the previous year, whereas 14 (14%) and 18 (18%) of the male and female respondents respectively reported a static status, and 13 (13%) of the male and 15 (15%) reported a decrease in profits.

4.5.10 Respondents' Having both Parents

The response as to whether or not the respondents had both parents was as given in Table 25.

Table 4. 25: Respondents' Parental Status

Response	Frequency	Percentage
Yes	156	76%
No	48	24%
Total	204	100%

The findings revealed that 156 (76%) of the respondents had both parents, while 48 (24%) indicated that they had both parents. This implied that not having both parents could not be an indicator to involvement in SMEs but a function of other socio-economic requirements.

4.5.11 Respondents' Having both Parents

The findings in respect to the relationship between the respondents position in the family and profit performance trend was as provided in Table 4.26

Table 4. 26: Position in the family and profit performance

		What is your profit in 2011 compared to the previous year				
		Not applicable	Decreas ed	Static / Same	Increas ed	Total %
Position in	First born	2	2	7	30	42
Family	Second Born	0	2	3	23	28
	Third born	0	0	0	18	20
	Fourth Born	0	0	0	3	3
	Fifth Born	0	1	0	0	2
	Sixth Born	0	0	0	1	1
	Seventh Born	0	0	1	0	1
	Eighth born	0	0	0	1	2
	Tenth born	0	0	0	1	1
Total						100

The findings show that 41 (42%) of the respondents were first born, 28 (28%) were second born, 18 (20%) third born, while 9 (10%) were from the category of fourth born or later. The findings further reveal that majority of the respondents 77 (77%) reported increase and thus the trend shows that all respondents irrespective of family position reported that their business had shown an increase in profits in the year 2011.

4.5.12 Family Type and Sales Growth

The response to the family size and growth was as given in the Table 4.27

Table 4. 27: Family Type and Sales Growth

| | Family Type | | | | | |
| | Monogamous | | Polygamous | | Single Parent | |
	F	%	F	%	F	%
Not applicable	6	3.5				
Decreased	10	5.9	1	4.8	3	23.1
Static / Same	21	12.4	1	4.8	2	15.4
Increased	133	78.2	19	90.5	8	61.5
Total	170	100.0	21	100.0	13	100.0

The findings show that 133 (78.2%) of the monogamous, 19 (90.5%) of the polygamous family type respondents and 8 (61.5%) of the single parents' respondents indicated that they experienced an increase in profit. The rest of the respondents in each category of family type experienced no increase in profit in 2011 compared to the previous year. The interpretation was that business made an increase in profits irrespective of family type.

4.5.13 Correlation between Gender and Customer Business Performance in 2011

Pearson correlations showing the relationship between gender and various aspects of business performance in 2011 were as provided in Table 4.28

Table 4. 28: Correlation between Gender and various aspects of business performance in 2011

		Gender	What is your profit in 2011 compared to the previous year	What is your sales growth in 2011 compared to the previous year	What is you Market size in 2011 compared t the previou year
Gender	Pearson Correlation	1	-.116	-.091	-.08
	Sig. (2-tailed)	.	.098	.196	.20
	N	204	204	204	20
What is your profit in 2011 compared to the previous year	Pearson Correlation	-.116	1	.219(**)	.200(**
	Sig. (2-tailed)	.098	.	.002	.00
	N	204	204	204	20
What is your sales growth in 2011 compared to the previous year	Pearson Correlation	-.091	.219(**)	1	.07
	Sig. (2-tailed)	.196	.002	.	.29
	N	204	204	204	20
What is your Market size in 2011 compared to the previous year	Pearson Correlation	-.088	.200(**)	.074	
	Sig. (2-tailed)	.209	.004	.295	
	N	204	204	204	20

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

The findings show that there was a negative Pearson correlation between gender and profits made in 2011 compared to the previous at -0.116, a negative Pearson correlation between gender and sales growth in 2011 compared to the previous at -0.091; a negative Pearson correlation between gender and Market size in 2011 compared to the previous at -0.088. All these levels were below the test statistical significant level at 0.05, therefore showing that the relationships were statistically insignificant.

4.6   How the level of business experience influences performance of family business

4.6.1   Operational experience in years

The response to how long the business had been operational in Nakuru was as given in Table 4.

Table 4.28: Operational experience in years

Response	Frequency	Percentage
Less than 4 years	79	38.7
5 – 10 years	99	48.5
11 – 20 years	23	11.3
More than 21years	3	1.5
Total	204	100

The finding shows that 125 (61.3%) indicated that their business had been in operational for a period of 5years or above while 79 (38.7%) indicated that they had been in operation for a period less than 4 years.

4.6.2   Business years of operational experience and profit status in 2011

The response to the business years of operational experience and profit status in 2011 was as given in the Table 4.29

Table 4. 29: Business years of operational experience and profit status in 2011

| | | Business years of operational experience | | | | | | | |
| | | Less than 4 years | | 5 – 10 years | | 11 – 20 years | | More than 21years | |
		F	%	F	%	F	%	F	%
What is your profit in 2011 compared to the previous year	Not applicable	2	2.5			4	17.4		
	Decreased	11	13.9	3	3.0				
	Static / Same	9	11.4	11	11.1	4	17.4		
	Increased	57	72.2	85	85.9	15	65.2	3	100
Total		79	100.0	99	100.0	23	100	3	100

The finding show that 57 (72.2%) of the business with an operational experience of less than 4 years reported an increase in profits in 2011, likewise 85 (85.9%) of those with an operational experience of 5 to 10 years and 15 (65.2%) of those with an experience of 10 to 20 years experienced an increase in profit in 2011. The study also found that the business with an experience of more than 21 years reported an experience of profit increase 2011. This implies that besides experience there were other factors contributing to profit increase in 2011.

4.6.3   The Speed of making decisions

The response in respect to the extent to the speed of making decision in the respondents businesses was as given in table 4.30

Table 4. 30: The Speed of making decisions

Response	Frequency	Percentage
Not at all	15	7.4
To a small extent	12	5.9
To a moderate extent	54	26.5
To a great extent	55	27
To very great extent	68	33.3
Total	204	100

The findings show that 123 (60.3%) of the respondents indicated that the speed of making decision in their businesses was fast to a great extent, while 81 (39.7%) indicated that the speed of making decision was slow. This implied that most firms viewed this aspect as a crucial factor in business.

4.6.4 Correlation between Profits status in 2011 and business operational experiences

A cross tabulation between profit status and select aspects of business experience (operational years of experience, number of years worked and speed of making decisions in business) was as given in Table 4.31

Table 4. 31: Correlation between Profits status in 2011 and business operational experiences

		What is your profit in 2011 compared to the previous year	business has been operational for how many years in Nakuru	Number of years worked in business	The speed of making decision in your business is fast
What is your profit in 2011 compared to the previous year	Pearson Correlation	1	.036	.232**	.421**
	Sig. (2-tailed)		.606	.001	.000
	N	204	204	204	204
Business has been operational for how many years in Nakuru	Pearson Correlation	.036	1	.477**	-.061
	Sig. (2-tailed)	.606		.000	.386
	N	204	204	204	204
Number of years worked in business	Pearson Correlation	.232**	.477**	1	.004
	Sig. (2-tailed)	.001	.000		.952
	N	204	204	204	204
The speed of making decision in your business is fast	Pearson Correlation	.421**	-.061	.004	1
	Sig. (2-tailed)	.000	.386	.952	
	N	204	204	204	204

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

The findings show that there was a positive Pearson correlation between profit status in 2011 and business operation years in Nakuru at 0.036. This value was lower than the test significant level at 0.05, thus, business experience did not have an influence on the profit increase in 2011 experienced by most firms.

The findings also show that was a positive Pearson correlation at 0.232 between profits status in 2011 and the number of years worked in business, the value of 0.232 was much higher than the significant level at 0.01, thus implying that the relationship was statistically significant.

The findings show that there was a significant relationship between the speed of making decisions in business and profits status in 2011 at 0.421. This level was much high than the significant level at 0.01. This implied that profit increase in 2011 experienced by most firms was influenced by the speed of making business decisions in those firms.

4.6.5 Customer Care

The result in respect to the extent with which business took care of their customers was as given in Table 4.32

Table 4. 32: Customer Care

Response	Frequency	Percentage
To a moderate extent	30	14.7
To a great extent	74	36.3
To very great extent	100	49
Total	204	100

The findings revealed that majority of the respondents 174 (85.3%) took care of their customers to a great extent through to a great extent, while 30 (14.7%) took care of their customers to a moderate extent. This implied that most of the businesses appreciated the role of customer satisfaction in an organization

4.6.6 Customer satisfaction with the products / services

The response for customer satisfaction with the products/services was as given in Table 4.33

Table 4. 33: Customer satisfaction with the products / services

Response	Frequency	Percentage
Not at all	10	4.9
To a small extent	3	1.5
To a moderate extent	22	10.8
To a great extent	81	39.7
To very great extent	88	43.1
Total	204	100

The findings show that majority of the respondents 169 (82.8%) indicated that their customers were satisfied with their products and services, while 35 (17.2%) indicated that it was to a moderate extent through to not at all.

4.6.7 Product quality superiority as compared to those of competitors

The response in respect to product quality superiority as compared to those of other competitors was as provided in Table 4.34

Table 4. 34: Product quality superiority as compared to those of competitors

Response	Frequency	Percentage
Not at all	1	0.5
To a small extent	11	5.4
To a moderate extent	26	12.7
To a great extent	87	42.7
To very great extent	79	38.7
Total	204	100

The findings show that majority of the respondents 166 (81.4%) indicated that they perceived their products as superior compared to those of competitors be to a moderate extent through to no extent.

4.6.8 Correlation between Profits status in 2011 and customer business experiences

A cross tabulation between profit status and select aspects of customer experience (customer care, customer satisfaction and perception of products) was as given in Table 4.32

Table 4. 35: Correction between Profits status in 2011 and customer business experiences

		What is your profit in 2011 compared to the previous year	Does your business take care of your customers	Are your customers satisfied with your product/services	Do your products perceive superior quality as compared to those of competitors
What is your profit in 2011 compared to the previous year	Pearson Correlation	1	.176*	.015	.076
	Sig. (2-tailed)		.012	.829	.277
	N	204	204	204	204
Does your business take care of your customers	Pearson Correlation	.176*	1	.396**	.106
	Sig. (2-tailed)	.012		.000	.131
	N	204	204	204	204
Are your customers satisfied with your product/services	Pearson Correlation	.015	.396**	1	.095
	Sig. (2-tailed)	.829	.000		.177
	N	204	204	204	204
Do your products perceive superior quality as compared to those of competitors	Pearson Correlation	.076	.106	.095	1
	Sig. (2-tailed)	.277	.131	.177	
	N	204	204	204	204

*. Correlation is significant at the 0.05 level (2-tailed).

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

The findings show that there was a positive Pearson correlation between profit status in 2011 and customer care at 0.176. This value was higher than the test significant level at 0.05, thus, the level of customer care had an influence on the profit made in 2011.

The findings show that there was a positive Pearson correlation between profit status in 2011 and customer satisfaction at 0.015. This value was lower than the test significant level at 0.05, thus, customer satisfaction was not contributory to the profit increase in 2011. Hence, the influence was statistically insignificant.

The findings show that there was a positive Pearson correlation between profit status in 2011 and perception of products quality compared to other competitors at 0.076. This value was higher than the test significant level at 0.05, thus, the product quality superiority had an influence on the profit made in 2011.

4.6.9 Business Contribution to social Responsibility

The response to business contribution to social responsibility was as in Table 4

Table 4. 36: Business Contribution to social Responsibility

Response	Frequency	Percentage
Not at all	25	12.3
To a small extent	14	6.9
To a moderate extent	37	18.1
To a great extent	55	27
To very great extent	73	35.8
Total	204	100

The findings show that 165 (80.8%) of the respondents described their business contribution to social responsibility to be a great extent if not to be very great extent, while 39 (19.2%) described it to be to a moderate extent through to No extent

Table 4. 37: Relationship between profit status in 2011 and business contribution to social responsibility

		What is your profit in 2011 compared to the previous year	Do your business contribute towards social responsibility
What is your profit in 2011 compared to the previous year	Pearson Correlation	1	-.057
	Sig. (2-tailed)		.419
	N	204	204
Do your business contribute towards social responsibility	Pearson Correlation	-.057	1
	Sig. (2-tailed)	.419	
	N	204	204

The findings show that there was a Negative Pearson correlation between profit status in 2011 and business contribution to social responsibility at -0.057. This value was much lower than the test significant level at 0.05, thus, business contribution to social responsibility did not influence on the profit made in 2011.

4.7 How availability of capital influences performance of family business;

4.7.1 Influence of opening capital on the Present Financial results family business

The response to the opening capital was as given in Table 4.38

Table 4. 38: Opening Capital

Response	Frequency	Percentage
1000 -10000	27	13.2
11000-20000	16	7.8
21000-30000	20	9.8
31000-40000	9	4.4
41000-50000	17	8.3
51000-60000	18	8.8
61000-70000	18	8.8
71000 and above	79	38.7
Total	204	100

The findings show that 115 (65.3%) indicated that their opening capital was Ksh 51,000 or above ,while 89 (34.7%) indicated that their startup capital was Ksh. 50,000 or below

Table 4. 39: Influence of opening capital on the Present Financial results family business

		What was your opening capital?	Evaluation of Present Financial results of your business
what was your opening capital?	Pearson Correlation	1	.204(**)
	Sig. (2-tailed)	.	.003
	N	204	204
Evaluation of Present Financial results of your business	Pearson Correlation	.204(**)	1
	Sig. (2-tailed)	.003	.
	N	204	204

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

The findings show that there was a Positive Pearson correlation between business opening capital and Present Financial results at 0.204. This value was much higher than the test significant level at 0.01, hence statistically significant. It therefore emerges that business opening capital had an influence on the profit made in 2011.

4.7.2 Source of the Opening capital

The response of the opening capital was as given in Table 4.40

Table 4. 40: Source of the Opening capital

Response	Frequency	Percentage
Loan from bank	69	33.8
Personal saving	112	54.9
Donation from friends	7	3.4
Sale of shares	4	2
Sale of assets	1	0.5
Hiring and leasing	9	4.4
Parents donation	2	. 1
Total	204	100

The findings show that 112 (54.9%) of the respondents sourced their opening capital from personal savings, 69 (33.8%) from loan capital 4.4% from hiring and leasing,7 (3.4%) from friend, 4 (2%) from sale of shares, whereas 2 (1%) sourced it from parents donations, and 1 (0.5%) sourced their capital from sale of assents

Table 4. 41: Pearson correlation between Present Financial results and source of initial capital

		Evaluation of Present Financial results of your business	What was the source of the capital?
Evaluation of Present Financial results of your business	Pearson Correlation	1	-.039
	Sig. (2-tailed)	.	.581
	N	204	204
What was the source of the capital?	Pearson Correlation	-.039	1
	Sig. (2-tailed)	.581	.
	N	204	204

The findings show that there was a Negative Pearson correlation between Present Financial results and source of initial capital at -0.039. This value was much lower than

71

the test significant level at 0.05, thus, source of initial capital did not influence on Present Financial results in 2011.

4.7.3 Taxes affecting business performance

The response to the type of taxes affecting their business performance was as given in Table 4.42

Table 4. 42: Taxes affecting business performance

Response	Frequency	Percentage
VAT	160	78.4
Excise	43	21.1
Income tax	1	0.5
Total	204	100

The findings show that 160 (78.4%) of the respondents indicated that the affecting their business performance was VAT, whereas 43 (21.1%) cited excise, while 1 (0.5%) cited income tax.

Table 4. 43: Pearson correlation between Present Financial results and tax effect on business

		Evaluation of Present Financial results of your business	How do taxes affect your business?
Evaluation of Present Financial results of your business	Pearson Correlation	1	-.073
	Sig. (2-tailed)	.	.300
	N	204	204
ow do taxes affect your business?	Pearson Correlation	-.073	1
	Sig. (2-tailed)	.300	.
	N	204	204

The findings show that there was a Negative Pearson correlation between Present Financial results and tax effect on business at -0.073. This value was much lower than the test significant level at 0.05, thus, tax effect on business did not influence on Present Financial results in 2011.

4.7.4 Effect of interest of high interest from banks on business performance

The response to the effect of interest of high interest from banks on business performance

Table 4. 44: Effect of interest of high interest from banks on business performance

Response	Frequency	Percentage
Yes	102	50
No	102	50
Total	204	100

The findings show that 102(50%) of the respondents indicated that interest from banks affected their business, while 102(50%) did not think so.

Table 4. 45: Pearson correlation between Present Financial results and effect of bank interest on business

		Evaluation of Present Financial results of your business	Does high interest from banks affect your business?
Evaluation of Present Financial results of your business	Pearson Correlation	1	-.035
	Sig. (2-tailed)	.	.618
	N	204	204
Does high interest from banks affect your business?	Pearson Correlation	-.035	1
	Sig. (2-tailed)	.618	.
	N	204	204

The findings show that there was a Negative Pearson correlation between Present Financial results and effect of bank interest on business at -0.035. This value was much lower than the test significant level at 0.05, thus, effect of bank interest on business did not influence on Present Financial results in 201

4.8 The extent to which commitment influences the performance of family business

4.8.1 Spending most time in business

The respondents to spending most time in business by the respondents was as given in Table 4.46

Table 4. 46: Spending most time in business

Response	Frequency	Percent
Not at all	7	3.4
To a small extent	37	18.1
To a moderate extent	13	6.4
To a great extent	57	27.9
To very great extent	90	44.1
Total	204	100

The findings show that 147(72%) of the respondents they spend most of their time in business to a great extent through if not to a very great extent, while 57(28%) indicated that they spent most of their time in business to a moderate extent through to no extent

4.8.2 Having a business permit

The respondents to whether or not business permit was as given in Table 4.47

Table 4. 47: Having a business permit

Response	Frequency	Percentage
Yes	188	92.2
No	16	7.8
Total	204	100

The findings show that 188(92.2%) of the business represented had a business permit, while 16(7.8%) did not have a business permit

4.8.3 Possibility of operating without a business permit

The response to possibility of operating without a business permit was a given in Table 4.48

Table 4. 48: Possibility of operating without a business permit

Response	Frequency	Percentage
Strongly disagree	125	61.3
Disagree	42	20.6
Neutral	11	5.4
Agree	6	2.9
Strongly agree	20	9.8
Total	204	100

The findings revealed that majority of the respondents 178(87.3%) disagreed to the fact that it was possible to operate business without a permit while 26(12.7%) indicated that it was possible to operate without a permit

4.8.4 Paying of tax

The response to whether or not the businesses paid tax was as given in Table 4.49

Table 4. 49: Paying of Tax

Response	Frequency	Percentage
Strongly disagree	20	9.8
Disagree	14	6.9
Neutral	8	3.9
Agree	28	13.7
Strongly agree	134	65.7
Total	204	100

The findings show that majority of the respondents 162(79.4%) agreed that businesses paid tax, while 42(20.6%) did not pay tax

4.8.5 Paying levies to the local authority

The response to whether or not the businesses paid levies to the local authority was as given in Table 4.50

Table 4. 50: Paying levies to the local authority

Response	Frequency	Percentage
Strongly disagree	33	16.2
Disagree	10	4.9
Neutral	10	4.9
Agree	31	15.2
Strongly Agree	120	58.8
Total	204	100

The findings show that majority of the respondents 151(74%) agreed that they paid levies to the local authority, while 53(26%) of the respondents indicated that their business did not pay levies to the local authority

4.8.6 Correlation between Profits status in 2011 and business commitment aspects

The result for a Pearson Correction between Profits status in 2011 and business commitment aspects was as provided in Table 4.51

Table 4. 51: Correlation between Profits status in 2011 and business commitment aspects

		Profit status in 2011	Spending most time in business	Does your business create atmosphere of trust	Paying of tax	Paying levies to the local. authority	Having a permit
Profit status in 2011	Pearson Correlation	1	.134	.188(**)	-.049	-.003	.062
	Sig. (2-tailed)	.	.056	.007	.484	.962	.380
	N	204	204	204	204	204	204
Do you spend most of your time in your business	Pearson Correlation	.134	1	.455(**)	.101	.087	-.156(*)
	Sig. (2-tailed)	.056	.	.000	.151	.218	.026
	N	204	204	204	204	204	204
Does your business create atmosphere of trust	Pearson Correlation	.188(**)	.455(**)	1	.202(**)	.069	-.258(**)
	Sig. (2-tailed)	.007	.000	.	.004	.324	.000
	N	204	204	204	204	204	204
Paying of tax	Pearson Correlation	-.049	.101	.202(**)	1	.255(**)	-.216(**)
	Sig. (2-tailed)	.484	.151	.004	.	.000	.002
	N	204	204	204	204	204	204
Paying levies to the local authority	Pearson Correlation	-.003	.087	.069	.255(**)	1	-.133
	Sig. (2-tailed)	.962	.218	.324	.000	.	.058
	N	204	204	204	204	204	204
Having a permit	Pearson Correlation	.062	-.156(*)	-.258(**)	-.216(**)	-.133	1
	Sig. (2-tailed)	.380	.026	.000	.002	.058	.
	N	204	204	204	204	204	204

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

The findings show that there was a Positive Pearson correlation between spending most time in business and profit status in 2011 at 0.134. This value was much higher than the test significant level at 0.05, hence, statistically significant. It therefore emerges that spending most time in business capital had an influence on the profit made in 2011.

The findings show that there was a Positive Pearson correlation between business creation of atmosphere of trust and profit status in 2011 at 0.188. This value was much higher than the test significant level at 0.01, hence, statistically significant. It therefore emerges that business creation of atmosphere of trust had an influence on the profit made in 2011.

The findings show that there was a Negative Pearson correlation between profit status in 2011 and paying of tax at -0.049. This value was much lower than the test significant level at 0.05, thus, Payment of tax did not influence profit status in 2011.

The findings show that there was a Negative Pearson correlation between profit status in 2011 and paying levies to the local authority at -0.003. This value was much lower than the test significant level at 0.05, thus, paying levies to the local authority did not influence on profit status in 2011.

The findings show that there was a Positive Pearson correlation between having a permit and profit status in 2011 at 0.188. This value was much higher than the test significant level at 0.01, hence, statistically significant. It therefore emerges that having a permit had an influence on the profit made in 2011.

4.9   Hypotheses Testing

4.9.1   Hypothesis 1

H_1: *There is a relationship between level of education and growth Performance (market expansion) of the family business.*

Pearson correlation showing the relationship between level of education and growth Performance (market expansion) of the family business was as provided in Table 4.52

Table 4. 52: Relationship between level of education and growth Performance (market expansion) of the family business

		Higher education level	What is your Market size in 2011 compared to the previous year
higher education level	Pearson Correlation	1	.118
	Sig. (2-tailed)	.	.092
	N	204	204
What is your Market size in 2011 compared to the previous year	Pearson Correlation	.118	1
	Sig. (2-tailed)	.092	.
	N	204	204

The findings show that there was a positive Pearson Correlation between level of education and growth Performance (market expansion) of the family business at 0.118. P value is 0.118; p>0.05,(this level is higher than the test statistical level at 0.05). Therefore the relationship is statistically insignificant. The interpretation is that the level of education had no statistical significant influence on growth Performance (market expansion) of the family business; reject alternative hypothesis, the hypothesis has been tested and found to be false; hence we fail to reject null hypothesis which read:

H_0: *There is a no relationship between level of education and growth Performance (market expansion) of the family business.*

4.9.2 Hypothesis 2

H_1: *There is a relationship between level of commitment of family business management and growth performance of the family business.*

A Pearson correlation showing the relationship between level of commitment of family business management and growth Performance (market expansion) of the family business was as provided in Table 4.53

Table 4. 53: Relationship between level of commitment of family business management and growth Performance (market expansion) of the family business

		Do you spend most of your time in your business	What is your Market size in 2011 compared to the previous year
Do you spend most of your time in your business	Pearson Correlation	1	-.066
	Sig. (2-tailed)	.	.350
	N	204	204
What is your Market size in 2011 compared to the previous year	Pearson Correlation	-.066	1
	Sig. (2-tailed)	.350	.
	N	204	204

The findings show that there was a negative Pearson Correlation between level of commitment of family business management and growth Performance (market expansion) of the family business at -0.066, (P value is -0.066; $p<0.05$) fail to reject alternative hypothesis, therefore the relationship is statistically significant. The interpretation is that the level of commitment of family business management had a significantly influence to the growth Performance (market expansion) of the family business; hence we reject null hypothesis which read:

H_0: *There is a no relationship between level of commitment of family business management and growth performance of the family business.*

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes and concludes the research findings as carried out. At the end of the chapter, some useful recommendations are proposed by the researcher to the organization under study in order to solve the problem under study, based on the research findings. This chapter comprises the summary of the study findings, conclusions of the study and recommendations; suggestions for further research and the study's contribution to existing knowledge. The purpose of the study was to investigate the factors influencing performance of small and medium family businesses in Nakuru town Central Business District, Kenya.

In accomplishing this, the study was guided by the following research objectives;

i) To determine the extent to which education background of family management influences performance of family business.

ii) To establish how demographic factors (age, sex, marital status) influences performance of family business.

iii) To examine how the level of business experience influences performance of family business

iv) To assess how availability of capital influences performance of family business.

v) To explore the extent to which level of commitment influences the performance of family business.

5.2 Summary of the findings

The study was able to interview 204 respondents out of the 278 target respondent, thus translating to 73% of the target respondents, out of which majority of the respondents 161(79%) belonged to the small enterprise category, while the rest belonged to the medium enterprise category. Most of the businesses 141 (69%) were sole proprietorships, 60(29%) were partnerships, while 3 (1%) were companies. The respondents were made up of 104(51%) male and 100(49%) female majority of whom were aged below 40 years. Those interviewed comprised of 102(50%) top management, 62(30%) middle

management, 20(10%) first level supervisor and 20(10%) being non management employees Emerging from the study was that 93(46%) of the respondents said that the target market for their businesses was both local (within Nakuru town) and visitors (outside Nakuru town), while 87(43%) relied on visitors as the target market. The findings show that majority of the respondents had a social policy, majority of whom were from the small businesses category. The study also shows that most of the respondents (business owners and managers) 86(42.2%) had worked in business for a period of 1-3 years, while 52(25.5%) had worked in a business for period of 4-6 years.

The study sought to establish the extent to which education background of family management influences performance of family business in Nakuru town Central Business District. It was established that majority of the respondents had attained secondary level or above majority of whom reported that there was an increase in profit -in 2011 compared to the previous year. The study also shows that majority of these respondents irrespective of the level of education described their business' present sales performance as good through to very good. All the respondents rated who had attained primary school level (100%); all those who had attained Polytechnic educational level; 84% of those who had attained secondary education level, 93% of those who had attained Diploma tertiary / technical college, 76% of those who had attained Degree (university), 96% of those who had attained Masters degree, and 97% of those who had attained PhD degree rated the present sales performance of their business as good through to very good, and present market performance of their business as good through to excellent.

The study sought to establish how demographic factors (age, sex, marital status) influences performance of family business in Nakuru town Central Business District. It was established that 147 (72%) of the respondents were married, 48(24%) single,4(2%) divorced and 5(2%) separated. The findings show that 103(73%) of the married respondents; 28(58%) of the single respondents; 2(50%) of the divorced and 3(60%) of the separated respondents operated the Sole proprietorship type of business. It is established that 128(87%) of the married respondents; 46(94%) of the single respondents; 4(100%) of the divorced respondents and 5(100%) of the separated respondents rated the present sales performance of their business as good through to excellent. Only 19(13%) of the married respondents and 2(4%) of the single respondents rated the present sales

performance of their business as poor if not fair. The findings show that there were a negative Pearson correlations between gender and profits at -0.116, between gender and sales growth in 2011 at -0.091; between gender and Market size in 2011 at -0.088. All these levels were below the test statistical significant level at 0.05, therefore showing that the relationships were statistically insignificant.

Marital status did not have an influence on the present market performance of their business, profit increase in 2011 compared to the previous year,. This is evidenced by the fact that 116(79%) of the married respondents; 37(88%) of the single respondents; 50(50%) of the divorced respondents, and 5(100%) of the separated respondents rated the present market performance of their business as good through to excellent; 121(82%) of the married respondents, 35(73%) of the single respondents; 1(25%) of the divorced respondents, and 3(60%) of the separated respondents indicated profit increase in 2011 compared to the previous year. The findings also show that 54(69%) of the respondents aged less than 30 years; 83% of those aged between 31 and 40 years; 20(87%) of those aged between 41 and 50 years; all the respondents aged more than 50 years rated market performance of their business as good through to excellent.

Respondents' age did not influence growth and performance of their businesses. The findings show that 54(69%) of the respondents aged less than 30 years; 85(83%) of those aged between 31 and 40 years; 20(87%) of those aged between 41 and 50 years; all the respondents aged more than 50 years indicated that their business profits had increased; 10(13%) of the respondents aged less than 30 years; and 11(11%) of those aged between 31 and 40 years indicated their business profits recorded no profit increase nor reduction (was static).

Respondents' gender did not influence growth and performance of their businesses. The findings show that 82(85%) of the male and 75(75%) of the female indicated that their business profits had increased in 2011 compared to the previous year; 74(77%) of the male and 67(67%) of the female indicated that their business profits had increased in 2011 compared to the previous year; 156(76%) of the respondents had both parents, while 48(24%) indicated that they had both parents.

The findings show that 125(61.3%) indicated that their business had been in operational for a period of 5years, 57(72.2%) of the business with an operational experience of less than 4 years, likewise 85(85.9%) of those with an operational experience of 5 to 10 years and 15(65.2%) of those with an experience of 10 to 20 years reported an increase in profits in 2011.the study also shows that 123(60.3%) of the respondents indicated that the speed of making decision in their businesses was fast to a great extent, hence indicating that business experience had an influence on the profit increase in 2011 experienced by most firms.

Majority of the respondents 174(85.3%) took care of their customers to a great extent through to a great extent; while majority of the respondents 169(82.8%) indicated that their customers were satisfied with their products and services. It emerges that the level of customer care had an influence on the profit made in 2011; and that customer satisfaction was not contributory to the profit increase in 2011. The product quality superiority had an influence on the profit made in 2011; that 165(80.8%) of the respondents described their r business contribution to social responsibility to be a great extent if not to be very great extent

The findings show that type of marriage did not influence growth and performance of their businesses; 133(78.2%) of the monogamous, 19(90.5%) of the polygamous family type respondents and 8(61.5%) of the single parents' respondents indicated that they experienced an increase in profit.

5.3   Discussions of the Study

The study investigated the performance of family businesses in small and -medium businesses; determine the extent to which education background of family management influences performance of family business; establish how demographic factors (age, sex, marital status) influences performance of family business; examine how the level of business experiences influences performance of family business; asses how availability of capital influences performance of family business; and explore the extent to which level of commitment influences the performance of family business in Nakuru Town Central Business, Kenya. Data was collected from 26 categories of small and medium family

84

businesses translating to 278 (sample size). The study was able to get a response from 204 businesses out of the 278 targeted; that is a return rate of 73%.

5.3.1 General characteristics of the respondents

The findings show that most of the businesses 141(69%) were sole proprietorships, 60(29%) were partnerships, while 3(1%) were companies. This could be attributed to the simplicity associated with starting and running a sole proprietorship as opposed to a company in Kenya. Starting a small enterprise is easy and attracts fewer costs and resources compared to starting a partnership or a company. This explains why there were more sole proprietorships as opposed to other categories of business. The findings also show that high reliance on local markets by majority of the business showing that most businesses in Nakuru needed to expand their market networks. The findings also show that most businesses were owned by persons who were purely in business. Other persons that operated SMEs in the areas included farmers, doctors, teachers and other professionals. For professionals the business operated was linked to their professional competencies.

The findings show that SME sector in Nakuru town was dominated by youthful members of the community, most of who had a working experience of more than 4 years endowed with energies to propel the firm towards desirable profitability. It also emerges from the study that majority of the SMEs; mainly small businesses did not a social policy. This was not favorable to the growth and sustainability of the business, concurrently unfavorable to performance. This could be attributed to the fact that majority of the business owners did not comprehend the value of a social policy.

5.3.2 The extent to which Education Background of family management influences performance of family business

The findings show that majority of the respondents 171(78%) had attained above secondary school educational level. The study further shows that majority of these respondents reported that an increase in profit in 2011 compared to the previous year, irrespective of the level of education. They described their business' present sales performance, present market performance and present sales performance of their business

85

as good through to very good. This implied that the level of education did not significantly influence business growth and performance of SMEs in Nakuru town. Most youth were starting up SMEs after failing to get white collar jobs. This showed that they appreciated the fact that there was need to work hard to contribute towards business success and this was not influenced by educational levels attained, but the motive for starting and operating the businesses.

These findings were a contradiction to Verper (2010) who pointed out that the more education an entrepreneur has had in business (especially small and medium business) are more likely the entrepreneur (family business) will succeed in the current venture. An earlier study conducted in Nakuru by Lerner, Brush and Hisrich (2005) to determine the factors affecting performance of family business reported that human capital and business skills (education) were significantly explanatory power on performance. This argument of Verper, 2010 and that of Lerner, Brush and Hisrich (2005) is negated by the socio economic environment that family businesses in Nakuru town operate in; and also overlooks personal factors such as self determination.

5.3.3 How demographic factors (age, sex, marital status) influences performance of family business

The findings show that marital status did not have an influence on the present market performance of their business, profit increase in 2011 compared to the previous year, sales performance of their business, market performance of their business, present market performance and business profits. It did not matter whether one was single or married for one to excel in business. Other internal organizational factors could have contributed to the performance of the performance and growth trends reported in this study and such may include product quality and other business environment related factors. The study also shows that neither parental status nor respondents' gender influenced the growth and performance of SMEs in this area.

The findings show that majority of the businesses were owned by young people below the age of thirty years and thus had the energy of propelling the businesses towards the attainment of desirable business performance. This explains why majority of family

86

businesses in Nakuru CBD had recorded favourable profit and sales in the year 2011 compared to the previous years. This finding was in agreement with a study by Farington (2009) who reported a significant relationship between the age of the sibling partner in her study and the growth and financial performance of the business. She suggested that younger siblings' partners are more likely to make positive contributions to financial and growth performance as they are more zealous, driven, risk averse and entrepreneurial than their older counterparts. It is also argued by Storey, (1994); and Watkins et al., (2003 that a younger owner/manager has the necessary motivation, energy and commitment to work and is more inclined to take risks.

5.3.4 How the level of business experience influences performance of family business

The study established that business experience did not have a significant influence on the performance of family business. The level of experience by the family businesses was manifested through high customer satisfaction levels, customer and product superiority. This meant that most of the SMEs were working hard to ensure that these aspects are sustained. A test with the profits made indicator showed that all the businesses reported a steady business profit increase in 2011 compared to the previous periods. The findings also show that majority of the businesses were managed by persons with an experience of more than 5 years and this was a contributory factor to the business trends. However, no matter the business years of experience profits made were on the increase. This implied that besides the experience of personnel and the business age factor, there was interplay of external and internal factors contributing favourably to the reported performance. This however, was the same case to all businesses irrespective of business experience. This contradict an earlier finding by Stanger, (2000) who argued that the relationship should be positive, since older businesses are more likely to have attained diminishing costs of production over some range of sales and hence be able to operate more economically and efficiently than recently established ones. However, according to various writers, the age of the firm is an important factor influencing the growth of the firm (Storey, 1994; Barkham et al., 1996). There is strong evidence to suggest that younger firms grow faster than older ones (Stoke, 1995; Brock and Evans, 1986). Storey (1994) stated that in the

87

United Kingdom and United States of America younger SMEs grew more rapidly than older enterprises.

5.3.5   How availability of capital influences performance of family business.

The findings show that business opening capital had an influence on the profit made in 2011 and this evidenced by the fact that 115(65.3%) indicated that their opening capital was Ksh 51,000 or above. Sufficient opening capital enabled the businesses to engage expansive activities related sales and market size. The findings revealed that source of initial capital did not influence on Present Financial results in 2011. This is supported by the fact that that 112(54.9%) of the respondents sourced their opening capital from personal savings; and thus most people were not able to raise sufficient operating capital. This finding was in agreement with Kristiansen, Furuholt, & Wahid (2003) who found that financial flexibility was significantly correlated to business success. On the same note, Marsden, 1992; Meier & Pilgrim, 1994; and Steel, 1994 presented the view that Potential sources of capital may be personal savings, extended family networks, community saving and credit systems, or financial institutions and banks. Robinson (1993) found that informal sources of credit, though with high interest rates, constitute very substantial contributions to business start-ups in developing countries, where the capital to labour ratio is normally low and small amounts of capital may be sufficient for a business start-up.

It is also established that 160(78.4%) of the respondents indicated that tax effect on business did not influence on Present Financial results in 2011. The study findings reveal that most SMEs paid VAT, whereas 43(21.1%) cited excise, while 1(0.5%) cited income tax. However, these taxes did not affect the growth and performance of most SMEs. It is because the taxes are charged after the SME has already computed profit on the items being sold.

The findings also showed that bank interest on business did not influence on Present Financial results in 2011. And this could be due to the fact that most businesses had not taken bank loans for their businesses, owing the complexity associated with getting the loans. Ordinarily the SMEs were avoiding taking up the bank loans due to the associated

88

interests and requirements. The findings support an earlier study by Olutunla and Obamuyi, (2008), SMEs in Africa and the rest of the developing countries are reluctant to obtain loans because of the collateral security, high interest rate and untimely delivery of credits.

It emerges from the study that SMEs in Nakuru town appreciate the influence that availability of capital can have on their business. However, they face the challenge of limited access. In a related study by Atieno (2009), it was observed that SMEs need external finance to reduce the impact of cash flow problems. External financing is needed for SMEs to start and expand operations, develop new products, invest in new staff or production facilities.

5.3.6 The extent to which level of commitment influences the performance of family business

The study findings show that spending most time in business capital had an influence on the profit made in 2011. This finding is supported by the fact that 147(72%) of the respondents they spend most of their time in business to a great extent through if not to a very great extent. Committed persons would ordinarily want to spend most time in business so as to contribute valuable time towards business. Empirical review suggests associates higher performance with higher business performance for instance: Riketta, (2002) posits that for family businesses, families with higher commitment work harder and perform better, subsequently contributing to higher levels of business performance.

On the same note, Allen & Griffeth, (2001) argued favourably that employees with higher commitment to an organization are likely to have higher commitment to an organization are likely to have higher job satisfaction and positive perceptions(about the business. This is also in support of the findings by Astrachan et al , (2002) who arged that family members that are more committed to the family business are likely to view its performance more favorably and be satisfied .Family commitment is seen in the overlap of business and family values.

The study findings show that payment of tax did not influence profit status in 2011. Majority of the respondents 162(79.4%) agreed that businesses paid tax but did not see the payment of this task as an impediment to growth and performance. The study

findings show that paying levies to the local authority did not influence on profit status in 2011. This finding is supported by the fact that majority of the respondents 151(74%) agreed that they paid levies to the local authority but did not see this as an impediment to growth and performance. It therefore emerges that having a permit had an influence on the profit made in 2011.

5.4   Conclusions of the study

Following the findings the study concludes that:

Education Background of family management did not significantly influence performance of family business in Nakuru town Central Business District. SMEs within this study area had registered recognizable performance in the aspects of sales, profits and market size, irrespective of the educational levels attained by the owners. This shows that besides accrued advantages associated with educational levels of the business owners, there were other internal organizational factors influencing the performance trends reported in this study.

Demographic factors (age, sex, marital status) did not significantly influence performance of family business. The SMEs sector in Nakuru town was dominated by the youthful members of the community, mostly aged below 35 years, most of whom lacked basic business and financial management skills. The sector involved both male and female actively who had joined the sector prompted by socio-economic reasons. It can also be concluded that despite the youthful age, most of the persons involved were married and with family responsibilities that called for attention. This prompted commitment towards the business. However, it emerges from the study that these demographic factors (age, sex, marital status) did not influence profit and sales performance of family business.

The level of business experience influenced performance of family business in Nakuru town Central Business District to a small extent. This was attributed to uniformity of business strategies used among the family businesses such as fostering customer care, enhancing customer satisfaction levels, speediness in business decision making; and timely supply of superior products and services in comparison to other competitors. In addition family businesses irrespective of years of business operational experience had made profit increases in 2011 compared to the previous years. It emerges therefore that besides the operational experience, there were other background factors that were influencing business performance of these family businesses.

The study also concludes that availability of capital significantly influenced performance of family business. Majority of SMEs in Nakuru town Central Business District started with an opening capital of Ksh. 50000 mainly sourced from personal savings and loan capital. Considering the economic times in the country (cost of living) the capital outlay of the businesses was insufficient to steer the businesses to desirable performance levels. Family savings are normally small in size and may not be adequate in most cases, while loan capital to SMEs is subject to a lot of restrictions and requirements that make their accessibility unreliable. Therefore availability of capital negatively influenced performance of family business

The study concludes that commitment of owners towards the business influenced the performance of family business to large extent. Taking into consideration the demographic characteristics of the owners and managers of SMEs, it is observed that they had the impetus to work had towards bringing about their performance. This is supported by the fact that they willingly spend most of their time in business with the hope to achieve this. Most of them had ensured that their businesses had secured business permits, and had created an enabling atmosphere of trust. They worked hard to ensure that their customers were satisfied by fostering customer care and offering superior product quality as compared to their competitors. These efforts which were indicators of commitment in most SMEs contributed significantly to the performance trends reported in this study.

5.5 Recommendations

Following the study findings and conclusions the study recommends the following:

1. The Government of Kenya should consider increasing budgetary allocations for supporting youth owned SMEs, considering the fact the largest proportion of SME owners are youth. This will also help address the challenges emerging from limited access to finances.

2. The Government should consider organizing and implementing training programmes geared at enhancing business skills, financial management skills and sales and marketing skills for SMEs. This can be actualized through Government Departments such as the Ministry of Youth and Sports and the Directorate of Technical Training. This will enhance the capacity of SMEs to yield desired performance.

3. The SMEs owners and management should consider joining or forming business associations / networks so as to enhance their capacity of getting supportive information and ideas for strategic planning towards business performance.

4. The Government should consider giving incentives to SMEs who perform better. These incentives could include recognition awards and certifications. This will encourage commitment from the business owners towards aspects that link social policy and organizational performance and thus generate benefits such as market expansion and associated sales volume growth.

5.6   Contribution to the body of knowledge

	Objective	Contribution
1	To determine the extent to which education background of family management influences performance of family business.	• Education Background of family management did not significantly influence performance of family business in Nakuru town Central Business District. • SMEs within this study area had registered recognizable performance in the aspects of sales, profits and market size, irrespective of the educational levels attained by the owners.
2	To establish how demographic factors (age, sex, marital status) influences performance of family business.	• Demographic factors (age, sex, marital status) did not significantly influence performance of family business. • The SMEs sector in Nakuru town was dominated by the youthful members of the community, mostly aged below 35 years, most of whom lacked basic business and financial management skills.
3	To examine how the level of business experience influences performance of family business	• The level of business experience influenced performance of family business in Nakuru town Central Business District to a small extent. • The disparity in the influence of business experience on performance was *harmonized by the uniformity of business* strategies used among the family businesses such as: ➢ Fostering customer care,

		➤ enhancing customer satisfaction levels,
		➤ Speediness in business decision making; and
		➤ Timely supply of superior products and services in comparison to other competitors.
4	To assess how availability of capital influences performance of family business.	• Availability of capital significantly influenced performance of family business. • Majority of SMEs in Nakuru town Central Business District started with an opening capital of Ksh. 50000 mainly sourced from personal savings and loan capital.
5	To explore the extent to which commitment influences the performance of family business.	• Commitment of owners towards the business influenced the performance of family business to large extent. • Business owners had the impetus to work had towards bringing about their performance owing to socio economic factors

5.7　Suggestions for further research

Following the study findings, the study gave the following suggestions for further research:

1. A study to be undertaken to assess the influence of level of business management skills on the performance of SMEs in Nakuru Town

2. A study to be undertaken to examine the constraints faced by SMEs in raising capital from Financial Institutions in Nakuru Town.

3. A study to be undertaken to examine the role played by the Government in the growth and performance of SMEs in Nakuru Town.

REFERENCES

Allen, D.G and Griffeth, R.W. 2011. Test of mediated performance-turnover relationship highlighting the moderating roles of visibility and reward contingency. *Journal of applied Psychology,* 86(5); 1014-1021

ACCA student (http://newswavers.co.uk/accastudent/;accessed 3rd April 2006)

Ackerman, R 2001. Hearing grasshoppers jump. The story of Raymond Ackerman as told to Denice Prichard Claremont: David Philip

Anderson, R.C and Reeb, D.M 2003. Founding family ownership and firm performances. Evidence from the S&P 500. journal of finance, 58, 1301-1328

Astrachen, J.H and Allen, I.E 2003. Mass mutual Raymond Institute American Family Business Survey

Adendorff, C. Boshoff, C, court, P. and Radloff, (2005). The impact of planning on good governance practices in south African Greek family businesses: *Management Dynamics* 14(4):34-46

Anderson, E and Weitz, B. 1992. The use of pledges to build and sustain commitment in distribution channels. *Journal of marketing research;* (JMR), 29(1), 18-34

Bird, B, Welsh, H., Astrachen, J.H, and Pistrui, D 2002. Family business research; the evolution of an academic field; *Family Business Review* 15(4) :337-350

Burke, P.J. and Reitzes, D. C 1991. And identity theory approach to commitment. *Social Psychology Quarterly,* 54(3), 239-251.

Brockhaus, R.H. Sr 1996. Family business in Southern Africa: An old new Frontrer paper presented in the Ninth annual conference of the international council for small business in southern Africa, Nelspruit, May.

Chrisman, J.J, Chua, J.H and Steier, L.P 2003: An introduction to theories of family business; *Journals Of Business Venturing*, 18(4): 441-948

Chua, J.H, J.J, Chrisman and P. Sharma 1999. *"Defining the family firm by behavior"* entrepreneurship theory and practice 23, 19-39

Cox, J.A, Moore, K.K and Van Auken, P.M 1984. Working couple in small businesses. *Journals of small business management*, 22(4): 24-30

Charles Tushabomwe- Kazooba 2010. *The African Executive; Small and Medium sized Enterprises in East Africa*; Hurlingham, Nairobi Kenya

Corey, G. 1996: *Theory and Practice Of Counseling And Psychotherapy.* 5th e,d. Pacific Grove: Brooks/Cole

Cowie. L 2007. *An investigation into the component impacting the effective functioning if management in small businesses.* Unpublished honors treatise, Nelson Mandela Metropolitan University, Port Elizabeth

Danes, S.M, Zuiker, V. Kean, R and Arbuthnot, J 1999. *Predictors of family business tensions and goal achievements.* In Dawes, S.M and Lee, Y.G 2004. Tensions generated by business issues in the firm business evening couples. family relations, 53(4): 357-366

Davis, J. 1982. The influence of life stage on father-son work relationships in family companies. In Seymour, K.C 1993. Intergenerational relationships in the family firm. The effect of leadership succession. *Family Business Review* 6(3): 263-281

Fitzgerald, M.A and Muske, G 2002. Co-preneurs: an exploration and comparison to the family businesses. *Family Business Review*, 15(1) : 1-16

Frankenberg, E. 2003. Sibling relationships in the family firm. *The Business journal*, issue 323029:11

Farrington, S.M. 2009. *Sibling partnership in South Africa small and medium sized family businesses.* Unpublished doctoral thesis, nelson Mandela / Metropolitan University, Port Elizabeth.

Greenberg. and Baron, R.A 2000. *Behavior in organizations*.(7th ed) Englewood cliffs, New Jerseys: Prentice Hall

Ivancevich, J.M, Konopaske, R and Matteson, M.T 2005. *Organizational behavior and management.* (7th ed). New York: McCraw-hill)

Klein, S.B, Astrachan, J.H and Smyrnios, K.X 2005. the F-Pec scale of family influence: construction, validation and further implication for theory and practice, 29, 321-339

Lee, J 2004. The effects of family ownership and management on firm performances. *S.A.M Advanced Management Journal*, 69, 46-53

Levinson, D.J 1978. Seasons of a Mans life. In: Neubauer, F. and Lank A.G 1998. *The Family Business – its governance for sustainability.* New York: Routledge

Maas, G and Dieberichs, A 2007. *Manage Family in your Business.* Northcliff: Frontrunner publishing

Malone, S.C. 1989 selected correlates of business continuing planning in the family business. Family business review, 2(4): 341-353

Manski C. F. 2004); Social learning from private experiences; the dynamics of the selection problem in ; *Review of the economic studies*, 71(2); 443-458

Mathieu, J.E, and Zajac, D. M 1990: A review of meta-analysis of antecendents of correlates and consequences of organizational commitment. *Psychological Bulleting*, 108;171-194

Meyer, J.P and Allen N.J 1991 A three components categorization of organization commitment. *Human Resource Review*, 1;61-89

Meyer, J.P and Allen N.J 1997. Commitment in the work place; theory research and application Newbury Park, CA; Sage publication

Mbaguta, H 2002. The Ugandan Government policy framework and strategy for the promotion and development of SMES' in proceedings of symposiums   and modalities for financing SMES in Uganda. United Nation Conference   on Trade and Development

Muske, G. and Fitzgerald, M.A 2006. A panel study of Copreneurs in business: who enters, continues and exits? *Family Business Reviews* 19(3):193-205

Muske, G, Fitzgerald, M.A and Kim, J (2002). Copreneurs as Family Businesses; evaluating the differences by industry type. Paper presented to the United States association for Small Businesses and Entrepreneurship, 19 January.

Murphy, D,L 2005. Understanding complexities private family firms: an empirical investigation. Family Business Review, 18(2) 123-133

Munoz, l 2001. *"Money Grows On Family Trees"*. Fortune, April 2, 128

Municipal Council of Nakuru, Licensing record 2011-2012

Mc Conaughy. D.l., C.H Mathews and A.S Fialko (2001. Founding family controlled firms; performances, risk and values. *Journal of small business Management* 39(1), 31-42

Neubauers, F. and Lank, A.G 1998. *The Family Business*- its governance for sustainability. New York: Routledge

Nieman g .ed. 2006. *Small business management: A South African Approach.* Pretoria: Van Schalk

Porter M 1980. Competitive strategy. In Jorisens, A, Loveren, E. Martens, R. and Reheul, A. 2005. Real versus sample based differences in comparative family business research. *Family Business Review,* 18(3): 229-246

Poza,E.J, Alfred, T. and Maheshwari, A 1997.stakeholder perception of culture and management practices in family and family firms. A preliminary report. In

Riketta, M. 2002; Attitudinal organizational commitment and Job performance; a Meta-analysis. *Journal of organizational behavior,* 23(3);257-266

Rwigema, H. and Venter, R 2004. *Advanced Entrepreneurship*. Cape Town: Oxford University Press.

Santiago, A.L. 2000. Succession experiences ion Philippine family businesses. In: Van Eeden, S.M and Venter, E. 2007. *Team related factors as antecedents* to *successful siblings partnerships- A Conceptual model*. Paper presented to the 7th annual International Family Enterprise Research Academy Conference (IFERA), European business school, Oestrich – Winked, Germany, 20-23 June

South Africa 1996. National small business act 102 of 1996; Government gazette, 377(17612)

South Africa (2004). National small business Amendment bill 26926 of 2004 Government gazette, B 23- 2004

Storey, D.J 1994. Understanding the small business. In; Jorrisen, A. Laverren, E. Martens, R and Rehaul, A. 2005. Real versus sample based differences in comparative family business research. *Family business review,* 18(3): 229-246

Sundaramurthy, C 2008. Sustaining trust within family business. *Family Business Review.* 21(1) : 89-102

Shanker, M.C and Astrachen, J.H 1996. Myths and realities. Family business contribution to the U.S economy- a framework for assessing family business statistics. *Family Business Review* 9, 107-119

Steier, L.P, and ward, J.L 2006; if theories of family enterprise really do matter, so does change in management education; entrepreneurship theory and practice, 30(6) 887-897

Tushabomwe – Kazooba, C and Kemeza, I 2006. Ugandas drought and power blackout- a systematic crisis". A paper accepted for publication by Disaster Recovery Journal.

Uganda bureau of statistics: statistical abstract November 2003

United Nation 2001. Growing micro and Small Enterprises in LCDS: the missing middle in LCDS. Why micro and small enterprises are not growing. New york

Van der Merwe, S.P 1998. Formal planning in family businesses in the Vaal triangle; PHD thesis, North West University, Potchefstroom, South Africa

Van der Merwe, S.P and Ellis, S.M 2007 *"An exploratory study of some of the determinants of harmonious family relationships in small and medium sized family businesses; management dynamics* 16(4):24-35

Venter, E. 2003. The *succession process in small and medium sized businesses in South Africa*. Unpublished D. comm. thesis, university of Port Elizabeth, Port Elizabeth.

Venter, E. and Boshoff,C 2006. The influence of family related factors on succession process in small and medium-sized family businesses South African *Journal of management and economic sciences*, 9(1) 17-32

Venter, E, Boshoff, C and Maas, G. 2003 The influence of relational factors on successful succession in family business: A comparative study of owner-managers and successors, *South African journal of Business Management* 34,(4);1-13

Vesper, K. H. (2010). *New venture strategies*. Engle wood clifs, NJ: Prentice Hall

Zellweger, T. (2007 b); time horizon, cost of equity capital and generic investment strategies of firms. In ; *Family Business Review*, 20(1);11-15

APPENDICES

Appendix 1: Authorization Letter from the National Council of Science and Technology to conduct research in Small and Medium Family Businesses

REPUBLIC OF KENYA

NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

Telephone: 254-020-2213471, 2241349
254-020-310571, 2213123, 2219420
Fax: 254-020-318245, 318249
When replying please quote
secretary@ncst.go.ke

P.O. Box 30623-00100
NAIROBI-KENYA
Website: www.ncst.go.ke

Our Ref: NCST/RCD/14/012/874

Date: 16th July 2012

Nicholas Kamore Waiganjo
University of Nairobi
P.O.Box 30197-00100
Nairobi.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *"Determinants of performance of family businesses: A case of small and medium businesses in Nakuru Town Central Business District, in Kenya,"* I am pleased to inform you that you have been authorized to undertake research in **Nakuru District** for a period ending **31st August, 2012.**

You are advised to report to **the District Commissioner and the District Education Officer, Nakuru District** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

DR. M. K. RUGUTT, PhD, HSC.
DEPUTY COUNCIL SECRETARY

Copy to:

The District Commissioner
The District Education Officer
Nakuru District.

UNIVERSITY OF NAIROBI
COLLEGE OF EDUCATION AND EXTERNAL STUDIES
SCHOOL OF CONTINUING AND DISTANCE EDUCATION
DEPARTMENT OF EXTRA - MURAL STUDIES

Tel 051 - 2210863

P. O Box 1120, Nakuru
4th May 2012

Our Ref: UoN/CEES/NKUEMC/1/12

To whom it may concern:
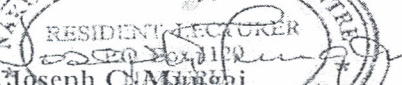
RE: NICHOLAS KAMORE WAIGANJO – L50/60750/2011

The above named is a student of the University of Nairobi at Nakuru Extra-Mural Centre Pursuing a Masters degree in Project Planning and Management.

Part of the course requirement is that students must undertake a research project during their course of study. He has now been released to undertake the same and has identified your institution for the purpose of data collection on "Determinants of Performance of Family Business: A Case of Small and Medium Business in Nakuru Town Central Business District, Kenya

The information obtained will strictly be used for the purpose of the study.

I am for that reason writing to request that you please assist him.

Yours Faithfully,

RESIDENT LECTURER

Joseph C. Mungai
Resident Lecturer University of Nairobi
Nakuru Extra-Mural Centre

OFFICE OF THE PRESIDENT
PROVINCIAL ADMINISTRATION

Telegram: "DISTRICTER" Nakuru
Telephone: Nakuru 051-2212515
When replying please quote

THE DISTRICT COMMISSIONER
NAKURU DISTRICT
P.O. BOX 81
NAKURU.

Ref No. ED 12/10 VOL.V1/99   4th May 2012
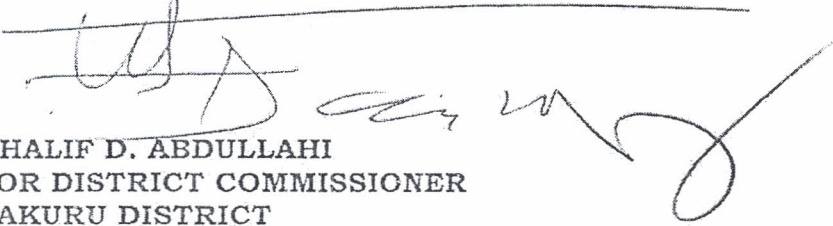
TO WHOM IT MAY CONCERN

RE:- RESEARCH AUTHORIZATION
NICHOLAS KAMORE WAIGANJO – L50/60750/2011

This is to confirm that the above who is a student of the University of
Nairobi at Nakuru Extra Mural Centre pursuing a masters degree in
project planning and management has been authorized by this office to
carry out research on "determinants of performance on family business
in small and medium business in Nakuru town, Central Business
District in Kenya"

Please accord him all the necessary support to facilitate his research.

KHALIF D. ABDULLAHI
FOR DISTRICT COMMISSIONER
NAKURU DISTRICT

Appendix 4: Authorization letter by the Municipal Council of Nakuru Licensing Officer to conduct research in Small and Medium Family Businesses

THE MUNICIPAL COUNCIL OF NAKURU

Telephone: [051] 2214142
Fax NO.: [051] 2210037

Our Ref: S/10/A/1/2012/PEN/FB

21st May 2012

MUNICIPAL OFFICES
P.O. BOX 124
NAKURU

Nicholas Kamore Waiganjo
P.O. Box 17088 - 20100
NAIROBI

Dear Sir

RE: **AUTHORIZATION TO CARRY RESEARCH ON**
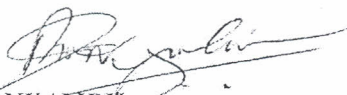
We refer to your request to carry out research through the University of Nairobi, Department of Extra – Mural Studies letter Ref: UoN/CEES/NKUEMC/1/12 dated 4th May 2012 on "Determinants of Performance of Family Business: A case of Small and Medium Business in Nakuru Town Central Business District, Kenya.

I am pleased to inform you that your request to undertake the research is accepted from 23rd May to 31st May 2012.

You are advised to report to the Municipal Treasurer before embarking on your research project. On completion of the research, please submit a hard and soft copy of your research findings to the Municipal Treasurer.

Finally, we would like to thank you for choosing Municipal Council of Nakuru for your research and take this opportunity to wish you a pleasant stay.

Yours faithfully

P.E. NYAMBU
FOR: TOWN CLERK
c.c. Municipal Treasurer
       Licensing Officer

NICHOLAS KAMORE WAIGANJO,

P.O BOX 14197-20100.

NAKURU.

TOWN CLERK,

MUNICIPAL COUNCIL OF NAKURU,

P.O BOX 124-20100.

NAKURU.

Dear Sir,

RE: REQUEST TO COLLECT INFORMATION FROM FAMILY BUSINESSES

I am a post graduate student of the University of Nairobi. In order to fulfill the requirement for the award of a Master of Arts degree in project planning and management, I am conducting a research entitled **"Determinants of Performance of Family Businesses in Small and Medium Businesses in Nakuru Town, Central Business District, Kenya".**

The research target population will be 1009, family businesses, with a sample size of 278 from 26 categories of small and medium family businesses in Nakuru town Central Business District in Kenya.

The purpose of this letter therefore is to seek your permission to collect the relevant data in the said family businesses within your area of jurisdiction. The information obtained will be treated with utmost confidentiality and will be used only for the intended purpose.

Thanking you in advance,

Yours faithfully ,

Nicholas Kamore Waiganjo

Cell: +254722 118 079

Email address; nicholas.waiganjo@yahoo.com

Appendix 6: Questionnaire for Small and Medium Family Business

This questionnaire has eight sections as follows: section 1, section2, section 3, section 4, section 5, section 6, section 7 and section 8. The filling of the questionnaire is expected to take you a few minutes to complete. The purpose of the questionnaire is to obtain information that is relevant to my research title. **"Determinant of performance of family businesses on small and medium business in Nakuru town, Central Business District, Kenya".** The information provided will be used purely for my academic researches and will be treated confidentiality. I humbly request to provide the information sort by this questionnaire as candidly as possible.

Kindly provide answers to questions in the spaces provided

SECTION 1: General information

1. What is your occupation? Tick as appropriate

   Farmer [   ] Teacher [   ] Doctor [   ] Engineer [   ] Lawyer [   ] Politician [   ]

   Professional [   ] Business man[   ] Business woman [   ]

   Other (specify)...................................:...

2. Job status:

   Top management   [   ] Middle management   [   ] First level supervisor   [   ]

   Non management [   ]

About Your Business

3. Your organization is a manufacturing sub – sectors service sector

   Hardware [   ] Chemist   [   ] Hospital [   ] Restaurants [   ] Hotel [   ]

   Bookshop [   ] Supermarket [   ] Boutique [   ] Cosmetics [   ] Agro – based[   ]

   Cybercafé [   ] Chemical [   ]

   Others specify......................................

4. Ownership of business

   Sole proprietorship [   ] Partnership [   ] Partnership [   ] Company[   ]

   Locally owned   [   ]

   Others specify...

5. To what category do you classify your business venture in terms of number of employees

   Small 1 – 20 [   ]   Medium 21-50 [   ]

6. Target market

   Local (within Nakuru town)[   ] Visitors (outside Nakuru) [   ] Both[   ]

7. Does your business have a corporate social policy?

   Yes[   ]   NO   [   ]

SECTION 2: Information about Education Background

1. What is your higher education level

   Primary school [   ] Secondary school [ ] Diploma tertiary/technical college[   ]

   Degree(university) [   ] Masters degree (university) [ ] PhD degree(university) [   ]

   Others specify ……………………………..

SECTION 3: Information on Demographic Factor

A. Age

1. Your age (years)

   Less than 30 [   ] 31 – 40[   ] 41 – 50   [   ] More than 50 years   [   ]

2. Do you have both parents? Mother and father? yes[   ] no[   ]

B. Gender

1. Your gender

   Male   [   ]   Female   [   ]

2. What is your position in the family?

C. Marital Status

i) Your marital status

    Married   [   ] Single [   ] Divorced [   ] Separated [   ]

    Other (specify)………………………………

ii) If married, how many children do you have?………………………………

    If single how many children do you have?………………………………

iii) Is your family monogamous or polygamous?

    Monogamous [   ] Polygamous [   ] single parent [   ]

SECTION 4 Information on Business experience

1. The business has been operational for how many years in Nakuru

   Less than 4 years   [   ] 5 – 10 years [   ] 11 – 20 years [   ] More than

   21years [   ]

2. Number of years worked in the business

     1 – 3 [   ]   4 – 6 [   ]   7 – 9   [   ]   10 and above [   ]

SECTION 5: Information on availability of capital

   1.   What was your opening capital?

1,000-10000 [   ] 11000-20000 [   ] 21000-30000[   ] 31000-40000[   ] 41000-50000[   ]

     51000-60000 [   ] 61000-70000 [   ] 71000 and above[   ]

  2. What was the source of the capital?

  Loan from bank [   ] Personal saving [   ] Donation from friends[   ] Sale of shares[   ]

     Sale of assets [   ] Hiring and leasing [   ]

     Other (specify)…………………………………

3. Does high interest rates from banks affect your business? Yes [   ]   No [   ]

    If yes, how…………………………………………………………………………………

4. (a) How does the tax affect your business?

    (b)What type of Tax do you pay? VAT [   ] Excise [   ]

Others specify…………………………………………………………………………………

5. Economic recession is one of the indicators that affect the performance of a business.

Explain how it affects your business either positively or negatively?

6. Do you have competitors within your business area of operation? Yes [   ] No [   ]

    If yes,explain…………………………………………………………………………………

SECTION 6. Information on Business commitment

This questionnaire is rated on a five points likert scale ranging from at all to a great extent.

Please tick the response that is most appropriate to your business.

	Not at all	To a small extent	To a moderate extent	To a great extent	To very great extent
The speed of making decision in your business is fast					
Does your business take care of your customers.					
Are your customers satisfied with your product/services					
Do your products perceive superior quality as compared to those of competitors					
Do your business contribute towards social responsibility					
Do you spend most of your time in your business					
Are you a part timer in your business					
Does your business create atmosphere of trust					

SECTION 7. Information on rules and regulations

1. The following statements relate to specific information about rules and regulations please indicate using the key below to what extent you agree with them.

Strongly agree [5] Agree [4] Neutral [3] Disagree [2] Strongly disagree [1]

Does your business have a permit? Yes [ ] No [ ]

	5	4	3	2	1
Is it possible to operate with out a permit					
Does your business pay tax			.		
Do you pay levies to the local authority					

SECTION 8 Information on Business Performance

1. (a) Number of employees present

   1-10 [ ] 11-20 [ ] 21-30 [ ] 31-40 [ ] 41-50 [ ]

   (b) Number of employees

   2008......persons 2009.....persons......2010........persons 2011.......persons

2. How do you evaluate the present sales performance of your business

   Excellent [ ] Very good [ ] Good [ ] Fair [ ] Poor [ ]

3. How do you evaluate the present market performance of your business

   Excellent [ ] Very good [ ] Good [ ] Fair [ ] Poor [ ]

4. What was your profit?

   In 2011 increase [ ] not increase [ ] decrease [ ]

   In 2010 increase [ ] not increase [ ] decrease [ ]

   In 2009 increase [ ] not increase [ ] decrease [ ]

   In 2008 increase [ ] not increase [ ] decrease [ ]

5. What was your sales growth?

   In 2011 increase [ ] not increase [ ] decrease [ ]

   In 2010 increase [ ] not increase [ ] decrease [ ]

In 2009 increase [ ] not increase [ ] decrease [ ]

In 2008 increase [ ] not increase [ ] decrease [ ]

6.How was your market?

In 2011 increase [ ] not increase [ ] decrease [ ]

In 2010 increase [ ] not increase [ ] decrease [ ]

In 2009 increase [ ] not increase [ ] decrease [ ]

In 2008 increase [ ] not increase [ ] decrease [ ]

7. . How do you evaluate the present financial results of your business

Excellent   [ ] (profit of more than Ksh 500000 per year)

Very good   [ ] (profit of Ksh 300001- 500000 per year)

.Good   [ ] (profit of Ksh 200001- 300000 per year)

Fair   [ ] (profit of Ksh 100001- 200000 per year)

Poor   [ ] (profit of lower than Ksh 100000 per year)

8 . What are important factors which make your business successful? Explain

THANK YOU

Appendix 7: Consent To Participate In Focus Group Discussion

You have been asked to participate in focus group discussion whose purpose is to try to understand **"Determinant of Performance on Family Business, Small and Medium Business in Nakuru Town central Business District, Kenya."**

The information learned in the focus group will be used strictly to research purpose, you can choose whether or not to participate in the focus group and stop at any time your response will remain anonymous and no names will be mentioned in the report.

There is no right or wrong answers to the focus group discussions we want to hear many different view points and would like to hear from everyone. We hope you can be honest even when your responses may not in agreement with the rest of the grouping respect for each other, we ask that only once individual speak at a time in the group and that responses made by all participate be kept confidential.

I understand this information and agree to participate fully under the conditions stated above.

Signed.

Date

Appendix 8: Focus Group Confirmation Letter

Dear,

Thank you for your willingness to participate in this focus group. As discussed with your ideas and opinions about, **Determinants of Performance of Family Businesses, Small and Medium Businesses in Nakuru Town, Central Business District, Kenya**. Your responses to the questions will be kept anonymous. The date, time and the venue will be communicated.

Date : 16th June 2012

Time : 10:00 a.m

Venue : Nuru Palace

Appendix 9: Focus Group Discussions with Senior Management

1. What is the type of your business?
2. How long have you been in the business?
3. How many employees do you have presently?
4. What is the size of your business?
5. Where do you sell your products/services?
6. What is your level of education?
7. What is your age?
8. What is your gender?
9. What is your marital status?
10. What was your starting capital?
11. Where did you get it from?
12. How long do you spend in your business in a day?
13. What is done to employee who violates the laws?
14. Do you earn profit?
15. How is your sales growth?

Appendix 10: Sample Size Table

N - n	N - n	N – n	N - n	N – n
10-10	100-80	280-162	800-260	2800-338
15-14	110-86	290-165	850-265	3000-341
20-19	120-92	300-169	900-269	3500-346
25-24	130-97	320-175	950-274	4000-351
30-28	140-103	340-181	**1000-278**	4500-354
35-32	150-108	360-186	1100-285	5000-357
40-36	160-113	380-191	1200-291	6000-361
45-40	170-118	400-196	1300-297	7000-364
50-44	180-123	420-201	1400-302	8000-367
55-48	190-127	440-205	1500-306	9000-368
60-52	200-132	460-210	1600-310	10000-370
65-56	210-136	480-214	1700-313	15000-375
70-59	220-140	500-217	1800-317	20000-377
75-63	230-144	550-226	1900-320	30000-379
80-66	240-148	600-234	2000-322	40000-380
85-70	250-152	650-242	2200-327	50000-381
90-73	260-155	700-248	2400-331	75000-382
95-76	270-159	750-254	2600-335	100000-384

Source: Krejcie & Morgan, 1970 sample size table