ENTREPRENEURIAL PERSONALITY TRAITS THAT AFFECT VENTURE DEVELOPMENT AND GROWTH

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2016
ENTREPRENEURIAL PERSONALITY TRAITS THAT AFFECT VENTURE DEVELOPMENT AND GROWTH

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A Research Project Report Submitted to the School of Business in Partial Fulfilment of the Requirement for the Degree of Masters in Business Administration (MBA).

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SUMMER 2016
STUDENT’S DECLARATION

I, the undersigned, declare that this research project report is my original work and has not been submitted to any other college, institution, or university for academic credit other than United States International University-Africa.

Signed: _____________________________ Date: _____________________________

Lavinia Nambubbi (644599)

The research project report is presented for examination with my approval as the appointed business research methods supervisor.

Signed: _____________________________ Date: _____________________________

Prof. Scott Bellows

Signed: _____________________________ Date: _____________________________

Dean, Chandaria School of Business
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ABSTRACT

The purpose of the study is to identify the entrepreneurial personality traits that affect venture development and growth. The specific research questions are; what impact does venture development have on entrepreneurship passion? what impact does self-efficacy have on entrepreneurship passion? and what impact does new resource skill have on entrepreneurship passion?

The research methodology used by the researcher in conducting the study was descriptive design. The dependent variable in the study was passion and the independent variables were; venture development, self-efficacy and new resource skill. The research was conducted among six Business Incubators in Nairobi which host entrepreneurs and aspiring entrepreneurs with sampling size of forty five (45). The data was analyzed using Statistical Program for Social Sciences (SPSS). Descriptive statistics and regression was used in the study to interpret the data.

The major findings of the study in regards to the relationship between the dependent variable; passion and the independent variables; venture growth, self-efficacy and new resource skill were: Passion and venture development have a positive relationship, however, it is not statistically significant. Therefore, the entrepreneur’s passion has nothing to do with the development and growth of the venture. The relationship between passion and self-efficacy is positive and statistically significant. The findings suggest that passion has nothing to do with entrepreneurship but self-efficacy. Therefore, self-efficacy has the strongest effect in regards to venture development and growth. Lastly, the relationship between passion and new resource skill was also weak. This suggests that entrepreneur’s new resource skill has no relation to venture development and growth.

The conclusions made by the research in regards to the variables under the study were venture growth and development is related self-efficacy and not passion or new resource skill. This is evident from the weak results from the study in regards to passion and new resource skill.

The recommendation of the study is further research on new resource skill and passion to identify their relationship with venture development and growth. Further research should be done especially in Africa, on personality traits that affect venture development and growth.
ACKNOWLEDGEMENT

I wish to extend my deep felt gratitude to all the people who offered their support and assistant. In particular, I thank my project supervisor Prof. Scott Bellows, for offering a lot of guidance and assistance of coming up with this research project report.
DEDICATION
This project is dedicated to Almighty God for the strength to make this research project report a reality and my family whose encouragement and support gave me the drive to carry on.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Entrepreneurship is suddenly being talked about by everyone. Entrepreneurs are now seen as good people who create employment as opposed to wealth acquisition with no regard to people and the planet. The national and international community concur with the effects of economic development due to entrepreneurship (Kirchhoff, 1991; Benneworth, 2004; Grilo and Irigoyen, 2006). But entrepreneurship is proving to be as hard to transplant as its name is to spell (Peterson, 1988).

Governments and the private sector are encouraging entrepreneurial programs. While institutions of higher learning are also not left behind as more courses are offered on entrepreneurship with books and magazines devoted to the subject (Shapero, 1985).

According to Shapero (1985), the signs of the new interest are around us with most countries having entrepreneurship programs. Terms like “incubator facilities” “high-tech and innovation centers” “venture capital task forces and “small business development centers” are now part of the standard vocabulary.

Peterson (1988), it is becoming clear that every country/culture must develop its brand of entrepreneurship and raise its champions to promote entrepreneurial behavior that fits the prevailing societal norms. Culture determines the attitudes of individuals towards the initiation of entrepreneurship (Vernon-Wortzel and Wortzel, 1997).

In the United States, small businesses have become an important sector in the economy. Over the past years, the number of small business owners and operators has steadily increased in number. In all, 15 million small firms make up more than 99 percent of all non-farm enterprises presently operating in the United States. (Burgess and Steinhoff, 1989).

Evidence shows that small business are responsible for providing essentially all of the new jobs created in the United States during the 1980’s which arise from the expansion of existing small businesses or through the startup of new companies. Each year, more than 500,000 new small firms are started in the United States (Broom et al., 1989).
Although nearly half of the new businesses started each year in the United States go out of business within the first 18 months of operation, the rewards of owning and operating a small business outweigh the risks of failure and financial loss. Through entrepreneurship, many American families have benefited in terms of jobs, income, products, and services, all of which have contributed considerably to the American way of life (Kao, 1989).

According to Burgess et al., 1989, the existence of a robust and healthy small business community in the United States has always been recognized as the best way to preserve competition in a capitalistic society. This prevents monopolistic activities, both of which provide the population with the benefits of competition by means of lower prices and products of higher quality.

Government incentives have attributed the success of small firms in the United States to reduced rates of federal income taxes on lower incomes; special forms of legal organizations, such as small corporations, which are taxed as individuals; and the insistence that large government contracts provide for subtracting to small suppliers (Kao, 1989).

Today in the U.S., there are 26 small business firms for every 1,000 people, which is higher than ever before. The net growth rate throughout the 1990’s has been about 100,000 new businesses per year (Paleno and Kleiner, 2000).

At the end of World War II, the Japanese economy accounted for roughly two percent of the world’s gross national product, whereas the United States contributed nearly 50 percent. Since 1950, however, Japan’s high economic growth has gradually enabled it to emerge as the second leading economic power, next to the United States. Small firms are an important part of the Japanese economy as they contribute more than half of Japanese industrial employment and one-third of Japanese industrial output. The increasingly important role of small business in the Japanese economy has led the Japanese government to give priority to their development and support. Many laws have been passed to help small firms in Japan modernize facilities, improve technology, avoid the adverse effects of competition, strengthen their financial position, and increase the overall number of opportunities available to them (Beng, 1988).

The growth of SMEs in Italy is influenced by social, historical and cultural factors; self-reliance and independence from government, banks, and local authorities has strengthened SMEs. The primary areas of business growth are those with traditional
family and community structures, agricultural organizations and forms of rural-urban settlement (Bamford and Goodman, 1989).

Fick (2002), entrepreneurship in Africa is the story of change in status quo by conformity to ethical business standards by entrepreneurs who have tried to contribute to the economic development by assuming risk in pursuit of profit. According to Fick (2002), there is no shortage of entrepreneurs in Africa. Given the opportunity, entrepreneurs in Africa and from around the world will drive the economic trains forward.

Ayittey (1998) believes that if the environment in Africa which is coupled with factors such as government hostility, stifling bureaucracy, corruption but to list a few, there will be many more African entrepreneurs and better prospects for African development.

Foreign enterprises provide highly valued assistance to African entrepreneurs regarding the supply chain, technical support, and professional services. Their relationship is complementary as the foreign companies are the key partners to the African entrepreneurs Marsden (1990). He also states that African enterprises of different size and ownership structure exploit the synergy of their market networks.

Spring and McDade (1998), conclude that there are distinctly African business practices that tend to acquire personnel through traditional apprenticeship system, family members and acquaintances. They raise finance from their own savings and choose to have a portfolio of businesses to help cushion the risk associated with economic uncertainty in African countries.

Entrepreneurship in Kenya was in the past and still is characterized by the presence of Micro and Small enterprises. According to the 1999 National Micro and Small Enterprise Baseline Survey, there are approximately MSEs, creating employment for 2.3 million people. An estimated 26% of household were involved in some kind of non-primary business activity. Approximately two-thirds of Kenyan MSEs are located in the rural areas which make up 80% of the population. Only 11.7% indicated they were registered and 39.4% operated with licenses. Close to two-thirds of all enterprises were in the trade sector, while 13% and 15% were manufacturing and services respectively. According to the Department of MSE Developments, the industry experienced substantial growth in 2000-2002, increasing to 2.8 million enterprises and MSE employment of 5.1 million accounting for 74.2 % of total jobs in 2002.
Recently, there has been an emergence of entrepreneurs who are ready to shake up the economy. Several years after M-Pesa and Ushahidi, Kenya has become a hub of African innovation. The iHub, m:\lab, Nailab, and C4Dlabs but to name a few show how entrepreneurial young Kenyans are. Several start-ups and mobile applications have been launched to provide practical solutions to Kenya’s development challenges in education, health, and agriculture (Analo, 2015). Corporates are also not left behind in the drive of spearheading entrepreneurship which helps train, implement and manage businesses.

In 2015, Nairobi had the privilege of hosting a major summit which is passionate in the enterprise and trade in Africa. The Global Entrepreneurship Summit 2015 which was graced by The United States President Barrack Obama showcased the innovation of young entrepreneurs not only in Kenya but Africa.

The study is on the entrepreneurial personality traits that affect venture growth and development. Personality traits are dispositional characteristics, thus relatively enduring preferences on a individual’s part of thinking or acting in a precise way (Epstein et al., 1985). According to Frank et al., (2007) the interaction between the natural and environmental factors result to personality traits. Gartner (1989), argues whether the personal traits or the circumstances that determine behavior and how traits have been conceptualized in previous research directed toward examining differences between entrepreneurs and non-entrepreneurs (Brockhaus and Horwitz, 1986; Gartner, 1985; 1989). Entrepreneurs have substantial effect over firm behavior and practice, therefore it is likely that their personal characteristics are important to explain why and how firms behave differently (Shane, 2003). The hypothesis concerning the relationship between entrepreneurial traits, skills and motivation to subsequent venture growth have been guided by prior studies on entrepreneurship and leadership theories (Baum et al., 2004).

The research findings for the study are going to show the relationship of entrepreneurial traits, skills and motivation to venture development and growth in Nairobi, Kenya. This may help explain the recent shift of entrepreneurship in Kenya, which is the driving force of the economy. According to the World Bank report in 2006, there has been a tremendous increase in the involvement of the Kenyan informal sector.

1.2 Statement of the Problem
Personality traits, organizational factors and environmental factors have been studied by researchers as causes of new venture success. However, weak effects were found about
entrepreneurs’ traits (Aldrich et al., 1993). The weak results for traits were unforeseen since new venture financiers and entrepreneurs believed that personal characteristics were the dominant reasons for success (Sexton, 2001; Smith et al., 2000). The research seeks to identify if certain characteristics of the entrepreneur can explain differences in entrepreneurial behavior (Wincent 2005). The study investigates more on the predictors of venture success by focusing on three personality traits; entrepreneurial passion, entrepreneurial self-efficacy and new resource skill.

1.3 Purpose of the Study
The purpose of the Study is to identify the entrepreneurial personality traits that affect venture growth and development

1.4 Research Questions
1.4.1 What impact does venture development have on entrepreneurship passion?

1.4.2 What impact does self-efficacy have on entrepreneurship passion?

1.4.3 What impact does new resource skill have on entrepreneurship passion?

1.5 Significance of the Study

1.5.1 Policy Makers
This study will help to nurture entrepreneurs and aspiring entrepreneurs in venture development and growth which will foster the economic development. Since the study is going to help the identification of entrepreneurial traits.

1.5.2 Entrepreneurs
The findings of the study will help entrepreneurs in understanding the personality traits that powers their entrepreneurial journey and this may aid in opportunity recognition.

1.5.3 Researches and Students
The study will be useful for researchers and students to further the studies of personality traits in entrepreneurship especially in Africa where the subject is not explored.

1.6 Scope of the Study
The extent of the survey is on entrepreneurs and aspiring entrepreneurs based in Nairobi, Kenya. The limitation on the study was on access to information because of sensitivity and confidentially. The timeframe of conducting the study was approximately (6) months, from February 2016 to July 2016.
1.7 Definition of Terms

1.7.1 Entrepreneurship
Chell et al. (1991) states that the problem of identification of the entrepreneur has been confounded by the fact that there is still no standard universally accepted the definition of entrepreneurship. Often the term entrepreneurship is equated to new venture creation and small business management Gibb (1996).

1.7.2 Entrepreneurial Passion
According to Cardon et al, (2009), entrepreneurial passion is an intense feeling or emotion toward entrepreneurial tasks and activities important to the entrepreneur’s self-identity.

1.7.3 Entrepreneurial Self-efficacy
Self-efficacy according to social cognitive theory is the belief in one’s capabilities to organize and execute the course of action required to produce given attainments (Bandura, 1997).

1.7.4 New resource skill
Baum et al., (2004) defines new resource skill as the capability to obtain and organize the operating resources needed to nurture a startup.

1.7.5 Startups
A startup is a company that is in the first stage of its operations. These companies are often initially bankrolled by their entrepreneurial founders as they attempt to capitalize on developing a product or service for which they believe there is a demand.

1.8 Chapter Summary
The study is on the entrepreneurial personality traits that affect venture growth and development in Nairobi, Kenya. The research questions will bring out how entrepreneurial personality traits affect subsequent venture growth. The scope of the study will be significant in the research findings which will help bring out the previous gap in innovation and entrepreneurship in Africa, in particular Nairobi, Kenya. The following chapter, two is based on the literature review in line with the research questions. The subsequent chapters three, four and five are on the research methodology, results and discussion, recommendation and conclusion of the study respectively.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter presents the review of past literature on the relationship of passion, new resource skill and self-efficacy to subsequent venture growth. This section is organized in line with the research questions.

2.2 Venture Development

Entrepreneurial ventures contribute to the economics development of nations and therefore it is important both theoretical and practical to understand the influences on the creation and growth of these ventures (Baumol et al., 2007). Recent studies propose that individual, organizational and environmental dimensions combine to provide a more comprehensive prediction of venture development and growth than any one dimension in isolation (Chrisman et al., 1998; Lumpkin et al., 1996).

Furthermore, entrepreneurship research has placed much emphasis on firm growth per se as the primary indicator of business success (Clarysse et al., 2011; Davidsson et al., 2009). In other words, the extant literature predominantly depicts firm growth as the result of a rich array of factors as well as an unavoidable step in order to increase firm profitability and business success (Davidsson et al., 2006, 2009).

Nevertheless, empirical analyses of the drivers of firm growth report low predictive accuracy and low concurrent validity between several growth measures. Some studies have been flawed in adopting cross-sectional approaches to what is essentially a longitudinal phenomenon (Davidsson et al., 2007), while others have failed to address adequately the dynamic states of entrepreneurial ventures engaged in growth over time (Levie and Lichtenstein, 2010). Further, growth is now recognized to be a multidimensional, heterogeneous and complex construct (Leitch et al., 2010). As a result, for the accumulation of knowledge there needs to be a shift of attention beyond the use of different empirical proxies of growth toward the development of more fine-grained theorizing (Shepherd and Wiklund, 2009).
2.2.1 Institutional Polycentrism Theory
Polycentricity refers to a spontaneous order in which multiple and independent decision-making centers and actors make mutual adjustments for ordering their relations within a general framework of rules and norms (Ostrom 1999; Polanyi, 1951). Institution polycentrism theory defines polycentric institutions as multiple, configurational and context specific institutional rules and norms that originate from, are situated in, and are enforced by numerous decision making power centers. Therefore polycentric institutional order is self-coordinating spontaneous system that results from the interplay of multiple, complex, recombined and particular context embedded rules and norms, and interchanges among numerous interdependent institutional actors (Hayek, 1973; Ostrom, 1999; Polanyi, 1951).

The two key dimensions of institutional polycentrism in the development of entrepreneurs’ networks and venture growth are institutional multiplicity and institutional substitution (Batjargal et al., 2013). The former refers to the dynamic interplay, mutual reinforcement and cointegration of diverse rules and norms in which the effect of change in one rule and norm or set of rules and norms is contingent upon other rules and norms in use (Ostrom, 2011). The latter refers to the process in which one set of formal institutions and informal networks is used to replace or overcome the debilitating effects to multiple weak and inefficient institutions (Deeg, 2005; Hall et al., 2001).

2.2.2 Core elements of Venture Creation Process
The four elements in venture creation are; a profitable business opportunity, technical know-how of the entrepreneur, business know-how of the entrepreneur (ability to enterprise) and entrepreneurial initiative also refer to as propensity to enterprise (Vesper 1990; El-Namaki 1988).

Opportunity refers to the extent to which possibilities for new ventures exist and extent to which entrepreneurs have the leeway to influence their odds for success through their actions (Gnyawali et al., 1994). In deregulated economies, entrepreneurial opportunities tend to be higher since market mechanisms operate freely and entrepreneurs have few barriers to entry (El-Namaki, 1988).
A wealth of research on entrepreneurship emphasizes the psychological and behavioral characteristics of entrepreneurs (Gnyawali et al., 1994). Individuals that have an urge for excellence, willingness to take moderate risk and desire to be independent are likely to become entrepreneurs (McClelland, 1961). The behavioral characteristics of successful entrepreneurs according to a study conducted in various countries are opportunity seeking and initiative, persistence, risk taking, demand for quality and efficiency, commitment to work, goal setting, information seeking, systematic planning and monitoring, persuasion and networking, and independence and confidence (Management Systems International, 1990).

The sum of technical and business capabilities required to start a business is referred to as the ability to enterprise (Vesper, 1990). In addition, entrepreneurs require some political and strategic planning skills in order to succeed since they face resistance from customers, investors and other stakeholders (MacMillan, 1983). Entrepreneurs are likely to prosper when they have the necessary ability to enterprise combined with enhanced prosperity to enterprise (Vesper, 1983).

2.2.3 Factors affecting Venture Growth
According to Lee et al., (2001), the factors affecting venture performance are divided into three categories: those relating to entrepreneurs’ personality, their background and communications. Their study focused on four major personalities: need for achievement and internal locus of control are hypothesized to have direct impact on the growth of a firm while self-reliance and extroversion are modelled as the antecedents of communication-related variables which directly affect the growth of a firm. Further, the entrepreneurial experience and education level are included in the study as the background characteristics having a direct effect on venture performance.

McClelland (1961), seminal work has been associated with entrepreneurial behavior. Prior studies have found that entrepreneurs generally have a higher need to achieve than non-entrepreneurs (eg. DeCcarlo et al., 1979). A positive correlation between achievement orientation of entrepreneurs and the growth rate of firms was found by (Smith et al., 1984).
According to Lee et al., (2001 pg.5), an individual’s perceived ability to influence events encountered in the person’s life is referred to as locus of control. They further state that individual’s with an internal locus of control believe that they have influence over the outcome of events through the efficacy of their own behavior on the other hand, external locus of control is the belief that external forces are the primary determinants of outcomes. Individuals who have confidence in their ability to control the events in their lives would be more motivated to actively seek new business opportunities instead of waiting for them to come (Lee et al., 2001).

Self-reliance is defined by Lee et al., (2001) as a person’s preference for doing things and making decisions without the help of others and thus does not actively look for business partners to join firm and when required, they prefer to have few .Previous studies on new venture formation suggest that firms started by more than one person have a higher success rate than those started by one person (Cooper et al., 1990).

An extroverted entrepreneur is expected to have more frequent communication with his business contacts, and to have a larger number of contacts or a greater breadth of communication (Lee et al., 2001). Ibrahim and Goodwin (1986), perceived an entrepreneur’s extroversion as the reason for success in small businesses. In addition, Van De Ven et al., (1984), found that high performance entrepreneurs tend to be more externally oriented and maintained a broad and complex network of ongoing relationships with people both within the firm and outside.

Robinson et al., (1994), found a positive relationship between the level of education and earnings from self-employment. In addition, entrepreneurs had a higher level of education than those in waged and salaried sector. Lee et al., (2001), states that education equips an individual with analytical and technical skills essential to managing a business and this may contribute to venture growth to a varied degree which is moderated by firm size.

Entrepreneurial experience refers to ‘the number of previous new venture involvements and the level of the management role played in such ventures’ (Stuart and Abetti, 1990, p. 151). Duchesneau and Gartner (1990) used the concept of ‘breadth of managerial experience, which combined managerial and industrial experience, and found that combined experience had a significant effect on venture successes.
2.3 Entrepreneurial Self-efficacy
Self-efficacy according to social cognitive theory is the belief in one’s capabilities to organize and execute the course of action required to produce given attainments (Bandura, 1997). Self-efficacy is a person’s belief in their ability to perform a task (Bandura 1991). A person with high efficacy for a certain task will exert more effort for a longer period of time, persists challenges, set and accept higher goals and develop better strategies and solutions for the task (Shane et al., 2003). According to Bandura (1997), self-efficacy is seen to be task and domain specific thus a person may have high efficacy in a certain area and a lower in another.

According to Bandura (1997), self-efficacy is essential in entrepreneurship since it drives persistence of entrepreneurs when they nurture startups. Perceived self-efficacy which is the confidence in one’s ability to obtain a desired outcome explains why people with similar abilities perform differently on a task (Wood et al., 1989). Perceived venture self-efficacy was identified by Kruegal et al., (1994) as a variable in their model for entrepreneurial intentions. They argued that a person’s judgement is grounded in self-perception of the ability to execute tasks associated with planning and launching the new firm. It is the perceptions of self-efficacy, rather than objective ability that motivate individuals to demonstrate entrepreneurial behavior (Markman et al., 2002). As opposed to other personality traits of entrepreneurship, self-efficacy is affected by contextual factors such as education and past experience (Hollenback et al., 2004).

Entrepreneurial self-efficacy was developed by Chen et al., (1998) as a means of capturing the degree to which individuals believe in their capability of performing the tasks associated with startup management. According to Forbes (2005), entrepreneurial self-efficacy can affect entrepreneurial intentions and new venture strategy since it can influence the effectiveness with which individuals manage their ventures.

Education enhances students’ entrepreneurial efficacy through providing them with attitudes, knowledge and skills to cope with the complexities embedded in entrepreneurial tasks such as opportunity seeking, resource assembling and leading the business to success (Wilson et al., 2007). Entrepreneurial efficacy is enhanced by education through providing experience of mastery, role models, social persuasion and support by involving them in learning activities, business plan development and running simulated business
(Fiet, 2000; Segal et al., 2005). Student’s entrepreneurial intentions may be enriched by educators and policy makers through boosting their self-confidence to succeed in entrepreneurship and their perceptions and expectations of strong positive outcomes from entrepreneurship (Segal et al., 2002).

2.3.1 Implicit Theory

According to Dweck et al., (1995) model, implicit theories and goals create framework that guides the individual’s strivings prior to an outcome and creates a meaning system within which attributes occur. Implicit theories refer to the mind-sets people hold regarding the extent to which various abilities can be conceptualized such as entity theory which assumes that personal attributes of an individual are fixed and cannot be changed and incremental theory which assumes the qualities of a person are not fixed but malleable.

According to Hong et al., (1999), individuals who hold incremental theory of their intelligence tend to be oriented toward learning goals, the goal of increasing their ability. They focus more on effort which they can invest to increase their ability. When faced with failures, they tend to look for ways to improve their ability and performance. In contrast, individuals who hold entity theory of their intelligence tend to be oriented toward performance goals, the goal of gaining favorable judgements of their attributes and avoiding negative ones. Thus entity theorists explain negative performance more in terms of their lack of ability than effort, which would render them vulnerable to helpless responses in the face of failure (Hong et al., 1999).

In times of setbacks, threats and challenges, the effects and differences in incremental and entity theories are postulated (Dweck, 1996). Thus holding an incremental relative to an entity theory about ability predicts stronger self-efficacy, more challenging goals and greater satisfaction with performance (Tabernero et al., 1999).

2.3.3 Factor affecting entrepreneurial self-efficacy

Self-efficacy is developed and strengthened in individuals through mastery experiences, modeling (observational learning), social persuasion and judgement of their own physiological states (Bandura, 1982).
The most effective way to develop a strong sense of self-efficacy is through mastery experiences (Bandura, 1977). It provides confirming experience that contributes to positive estimations of future performance (Lent et al., 1987). Individuals become discouraged easily by failure especially if they are used to smooth success. Thus it is important to have direct experience in overcoming challenges through effort and perseverance (Wood et. al, 1989).

Observational learning through modeling provide a less-effective method of strengthening self-efficacy (Gist, 1987; Wood et al., 1989). Performance set backs are important in learning since the sustained effort is necessary for success. An individual may observe the skills and behavior of a role model in performing a task, approximates the similarity to their own and infers the amount of effort versus skill that would be required to reach the same results (Gist, 1992).

Greater effort may be exerted if positive feedback and realistic encouragement are directed to an individual to convince them of their capability to perform the task (Gist, 1987; Wood et al., 1989). However, this may increase the beliefs of self-efficacy to unrealistic levels. Social persuasion should therefore be used in combination with mastery experiences to ensure success (Bandura, 1977).

Lastly, individuals often rely on their own perceptions of their physiological states. They interpret their emotional arousal and tension as indicators of poor performance. Thus individuals should take steps to enhance their emotional and physical status and reduce stress levels (Gist, 1987; Wood et al., 1989).

2.3.2 The influence of cognitive style on different types of self-efficacy required along the entrepreneurial process

According to Krueger et al., (1994), entrepreneurial self-efficacy plays an important role in unveiling the fundamental skill set needed throughout the different stages of start-up development process. In most scenarios, perceptions of self-efficacy are key than actual skills as a determinant of behavior. Different skills and abilities are required in the various stages in the process of entrepreneurship since no one cognitive style embraces all the entrepreneurial self-efficacy needed for a startup (Shepherd et al., 2002). DeNoble et al., (1999); Chen et al., (1998), identified four potential types of task specific self-efficacy
that fall under the broader umbrella of “entrepreneurial efficacy”. These are opportunity-identification self-efficacy, relationship self-efficacy, managerial self-efficacy and tolerance self-efficacy.

According to DeNoble et al. (1999); Chen et al., (1998), opportunity-identification self-efficacy, is concerned with the individual’s identification and development of new product and market opportunities. Bird (1988), entrepreneur’s intentions and actions are framed through intuition, holistic and contextual thinking by inspiring vision. Intuitive thinking facilitates the recognition of opportunities, the generation of ideas and a vision that may inspire the entrepreneur’s efforts (Allinson et al., 2000; Bird, 1988; Olson, 1985).

In the planning and implementation stage of the startup, the entrepreneur’s information processing is generally analytical. Here, managerial self-efficacy is essential. This refers to the individual’s perceived self-efficacy concerning their managerial capacities, especially economic and financial management. The analytic cognitive style is likely to influence the self-efficacy intention connection in that individuals who are focused on analyzing and planning for the launch of the startup find that the results of their linear approach strengthen their perceived viability of the business opportunity (Olson, 1985). Shane et al., (2004) argue that the advantage of planning before action surpass the opportunity cost on the entrepreneur’s time.

The aligning of the resources stage requires analytical planning (Kickul et al., 2009) and relationship self-efficacy is required. This is the individual’s perceived self-efficacy concerning their capabilities to build relationships, especially with potential investors and people who are connected to capital sources (DeNoble et al., 1999; Chen et al., 1998).

Analytic individuals feel more confident in their ability to carry out managerial activities especially the implementation stage of a startup (Kickul et al., 2009). According to DeNoble et al., (1999); Chen et al., (1998), tolerance self-efficacy is the individual’s perceived self-efficacy concerning capacities to work productively under conditions of stress, pressure, conflict and change.
2.4 Acquisition of New Resource Skill

Baum et al., (2004) defines new resource skill as the capability to obtain and organize the operating resources needed to nurture a startup. It involves finding capital and human resources and introduction of new operations and system (Bhide, 2000; Stevenson, 1985). Even when having challenges with new markets, resource shortages and extreme uncertainties, successful entrepreneurs must know how to look for and acquire financial and human resources (Bhide, 2000; Smith et al., 2000; Stevenson, 1985). Smith et al., (2000), argues that the predictors of a startup success lie in the efforts of the entrepreneur to arrange and organize resources.

Wernerfelt (1984), defines resources as tangible and intangible assets which are tied semi-permanently to the firm. The resource based view of the firm suggests that firms compete on the basis of resources that are valuable, rare, difficult to imitate and non-substitutable by other resources (Barney, 1991; Conner, 1991). This will enable to achieve a competitive advantage by implementing value creating strategies that cannot be duplicated by firms (Eisenhardt & Martin, 2000).

Further, Barney (1991), states that the resource based view assumes the resources needed to develop, select and execute strategies are heterogeneously distributed across firms and that these differences remain relatively stable over time. Therefore, the theory argues that formation of value creating strategies to generate above normal returns is achievable through exploitation of existing resources of the firm (Barney, 2001).

2.4.1 Innovation in Venture Development

Innovation in products and services is essential of small business’ set of entrepreneurial actions necessitated by the firm’s desire to grow. However, their growth is viewed in terms of sales and/ or employment as survival tactics and to enhance business performance in a dynamic and competitive environment (Georgellis et al., 2000).

Schumpeter (1934), in research based theory states that smaller firms face challenges in innovation due to problem of creative accumulation, in that cumulative learning creates high barriers to entry for other firms and the opportunities for new innovators become limited with large firms dominating the market. Smaller firms are essentially disadvantaged than larger firms in their ability to develop resources through learning.
economies of scale (Bianchi et al., 2010). In addition, these resources limitations are accompanied by less sophisticated management structures which results in poor recognition of market opportunities, poor identification of new technologies and aversion to risk which can have a greater negative impact on innovation and innovation success.

According to Georgellis et al., (2000), the possession of the three core competencies by startups will determine their success in innovation; a capacity to innovate, a capacity to plan ahead and willingness to take risks. They further argue that the core competencies are key elements of entrepreneurial businesses that enable them to transform an entrepreneurial strategic intent into successful innovations that create new products or services.

Small and medium sized businesses face challenges with regards to innovation since the skills in house tend to be limited, to the extent that the loss of certain organization members can entail a serious loss of tacit knowledge. Retention is always a concern for small and medium sized business, especially in relation to skilled labor, yet it is key to small firm innovation (Acs et al., 1988). Theoretically, innovation has replaced efficacy as the crucial focus of much theory building and policy analysis with efficiency becoming essential adjunct to innovation (Clark and Staunton, 1989).

Innovation is dependent on individual intellectual capability and collective business intelligence in new technology based firms (Briggs et al., 1999). To help fill the gap between required knowledge and its accessibility, (Raco, 1999 and Kalantaridis et al., 1999) suggest that innovative SMEs seek resources through a complex array of interconnections with their environment.

According to Nooteboom (1994), innovations should be expected from a minority of firms especially those which possess characteristics and strengths such as flexibility, short communication lines and close relations with customers, motivated management and labor with no bureaucracy allow them to innovate successfully. Organizational structure is considered to be among the essential determinants of innovation (Damanpour 1991; Kim 1980; Subramanian and Nilakanta 1996). Organizational variation in how firms coordinate internal activities can greatly impact innovation (Van De Ven 1986).
Exploratory innovation is associated with revolution in the existing product or service while exploitative innovation is associated with additions to existing goods or services. Thus, firms need to embrace both exploratory and exploitative innovation to be successful since focusing on exploration without balancing levels of exploitation can lead to a “failure trap” placing a continuous drain on the firm’s resources without recouping the investments immediately. On the other hand, over reliance on exploitation at the expense of exploration can drive the firm into a “success trap” which leads the firm to focus solely on short-term returns while ignoring potential outcomes derived from exploration (Auh and Menguc 2005).

Coombs et al., (2000) suggests three schools of thought predominating in service innovation research that articulate the key differences in basic assumptions about service innovation; assimilation, demarcation and synthesis. In the assimilation approach, there are no significant differences in innovation concepts between manufacturing and services thus theories and concepts developed in manufacturing contexts can easily be transferred to innovation in services (Drejer 2004, de Vries 2006). The demarcation approach states that the distinctive features of services such as intangibility, coproduction with customers, simultaneity, heterogeneity and perishability (Fitzsimmons et al.,2010; Nijssen et al., 2006), make it difficult to replicate the knowledge from manufacturing to services (Djellal et al., 2001; Gadrey et al., 1995).

The synthesis approach concentrates on incorporating the concepts and theories of innovation in services and manufacturing and making them complementary to each other. The approach holds that service innovation processes can draw insights from relevant aspects of the new product development and innovation management process in manufacturing (Gallouj et al., 1997; Hipp et al., 2005; Hollenstein 2003).

2.4.2 Alliance Partnerships in Venture Development

Alliances are defined as collaborative efforts between two or more firms where they pool their resources in an effort to achieve jointly compatible goals that they could not achieve easily alone (Sividas et al., 2000). When business relationships are collaborative rather than adversarial, a variety of types of these relationships may be classified as alliances for example, manufacturer-supplier partnerships, strategic purchasing arrangements, joint ventures, outsourcing, technology licensing agreements, and various forms of R&D

Whereas imperfect mobility refers to the barriers to getting the resources from one firm to the other (Das et al., 2000), imperfect imitability and imperfect substitutability refer to barriers to obtaining similar resources from elsewhere (Barney, 1991; Peteraf, 1993). Therefore, (Das et al., 2000) argues that imperfect mobility, imperfect imitability, and imperfect substitutability of firm resources are vital for continued resource heterogeneity and are influential in the formation of strategic alliances. Under perfect mobility, resources can be traded and accessed without forming alliances. However, alliances can serve as the means of mobilizing resources that have traditionally been considered immobile. Further, even when resources cannot be mobilized, alliances enable the transfer of benefits associated with such resources and thus, weaken the imperfect mobility condition (Lavie 2006: Pg 6).

Das et al., (2000) integrates the classification of alliance structures, by adopting the four-part alliance typology: joint ventures, minority equity alliances, bilateral contract-based alliances; and unilateral contract-based alliances.

Das et al., (2000) state that equity joint ventures are formed to incorporate the joint efforts of partners, however, the firms may be opportunistic in maximizing their own interest to the detriment of their partners. These tend to be severe when tacit knowledge and skills are not protected by property laws and this can be a disadvantage if both partners have substantial knowledge-based resources in the alliance. Furthermore, they state that minority equity alliances, is when one or more partners take an equity position in others and that firms will prefer it when they have primarily knowledge-based resources to contribute to the alliance and their partners have primarily property-based resources.

When the mission of the firm is one of learning, bilateral contract-based alliances are preferred since there are more opportunities as compared to unilateral contract -alliances. Unilateral contract-based is preferable when both partners intend to contribute primarily to property based resources such as capital, plants distribution channels, patents, copyrights and so on to a prospective alliance (Das et al., 2000).
2.5 Entrepreneurial Passion
According to Cardon et al., (2009), entrepreneurial passion is an intense feeling or emotion toward entrepreneurial tasks and activities important to the entrepreneur’s self-identity. It has been widely assumed by emotion researchers that emotions have a direct causal influence on people’s behavior (Gielink et al., 2015).

Entrepreneurship is the embodiment of passion. It makes entrepreneurs believe in what they are doing, which is important for realizing their entrepreneurial dreams and achieving success against all odds (Ma et al., 2006).

In the theory of emotion feedback system by Baumeister et al., (2007), emotions can also be the outcome of people’s behavior, rather than a direct causal antecedent thereof. Thus it may not only drive entrepreneurial behavior, but there may also be a reverse effect of entrepreneurial effort on entrepreneurial passion (Gielink et al., 2015).

Passion is at the heart of entrepreneurship since it fosters creativity and the recognition of new information patterns critical to the discovery and exploitation of promising opportunities (Baron, 2008). Passion leads to hard work with greater effort, persistence and enthusiasm. Passion leads to intense identification with the venture but this may not necessarily be functional (Cardon et al., 2005).

According to Chen et al., (2009), an entrepreneur’s cognitive passion has a significant positive effect on venture capitalists’ funding decisions. Successful entrepreneurs are adept at displaying passion and enthusiasm to others, as well as low-activation positive emotion to convey self-control. This increases investors’ confidence in the business and helps mobilize employees’ efforts (Huy et al., 2007).

Passion can facilitate opportunity recognition, idea development, and opportunity execution resource assembly, organizational design, market making, and product development (Shane et al., 2003). In line with Cardon et al., (2009) definition of entrepreneurial passion, measuring entrepreneurial passion requires that we consider three aspects of the definition; (1) Passion involves the experience of intense positive feelings (2) these feelings are experienced for activities that are central to self-identity of the individual and (3) the feelings and identity centrality are focused on three specific domains.
2.5.1 The experience of intense positive feelings
Entrepreneurial passion is an affective phenomenon that one may experience when engaging in or thinking about certain activities Vallerand et al., (2003). Passion consists of deeply experienced positive feelings for something important to the entrepreneur and as a result is more enduring than the experience of episodic emotions associated with external stimuli (Wincent et al., 2008).

Entrepreneurial passion differs from episodic changes since the latter is subconsciously or unconsciously activated by external objects or activities that may be irrelevant to an individual’s identity meaning, passion involves intense longing that one feels for objects or activities that are deeply meaningful to one’s identity, whether those objects are real, remembered, imagined or anticipated (Cardon et al., 2009). Consequently, when individuals are passionate about something, they cannot help but think about it (Chen et al., 2009).

2.5.2 Entrepreneurs Self-identity
According to Stryker et al., (2000), individual identities are organized hierarchically with identities placed higher in the hierarchy are more salient and central to one’s self-identity than identities placed lower. Therefore not all entrepreneurs are alike when it comes to their identity (Fauchart et al., 2011). Cognitive schemas of interpretations and behavioral prescriptions that allow individuals to understand what is means to be an entrepreneur is referred to as entrepreneurial identities (Hoang & Gimeno, 2010; Shephard & Haynie, 2009). This forms when an individual internalizes the external meanings associated with the role and makes those meanings self-defining and they start to refer to themselves as entrepreneurs (Murnieks et al., 2014). Individuals become strongly motivated to act in a manner consistent with the identity once they are integrated into the self-concept (Burke & Reitzes, 1981; McCall & Simmons, 1966).

The hierarchy of identities can be structured into two; (1) Centrality which refers to the relative importance that individuals places upon a focal identity compared to other identities (McCall & Simmons, 1966; Rosenberg, 1979; Murnieks et al., 2014) and (2) salience which refers to the readiness to act out a focal identity (Stryker, 1980; Stryker & Serpe, 1994; Murnieks et al., 2014).
The variations in identity lead entrepreneurs to engage in those activities they identify more closely with and disregard those that they do not (Cardon et al., 2013). Some entrepreneurs may view a founder rather than inventor identity as more salient and central thus they may be committed more to the role of creating a new venture than to that of exploring or inventing new opportunities (Cardon et al., 2009).

An entrepreneur may change the salience of different role identities, however, at any given time, the relative importance of the role of identities is stable making an entrepreneur’s self-meaning temporally both distinctive and coherent (Cardon et al., 2009). Further, entrepreneurs may have multiple identities that depict varying patterns and are organized in a hierarchy of more or less importance, where none is clearly dominant (Cardon et al., 2009).

2.5.3 The Domains of Entrepreneurial Passion
According to Cardon et al., 2009, the three distinct roles that different entrepreneurs may experience differently but consistently found at the heart of the entrepreneurial process are inventing new products or services, founding new organizations and developing these organizations beyond their initial survival and successes.

Passion for inventing concerns activities associated with scanning the environment for new market opportunities, developing new products and services and working with new prototypes (Cardon et al., 2009). Entrepreneurs who are passionate about inventing show positive affect while identifying and exploring new opportunities and developing new products and services (Breugst et al., 2012). In start-up ventures, developing and inventing is the key activity and employees are often actively involved in the invention process (Katz et al., 2000).

Entrepreneurs through their actions communicate to their employees the importance of inventing new products and services to achieve desired outcome. This helps employees to understand that creativity and innovation are important goals (Breugst et al., 2012). According to Zenger (1994), many inventors tend to be employees in their own firms. This helps them understand the entrepreneur’s perspective, decision and actions in
regards to inventing. These employees will vicariously experience the entrepreneur’s affect through a concordant affective reaction (Epstude et al., 2009.)

Since it is essential for startup ventures to develop new products and services for its future performance, employees working with passionate entrepreneurs will perceive the importance of the venture’s long run success given their interest in job and security income (Monsen et al., 2010). Employees often directly or indirectly participate in the success of innovation efforts which aligns their goals with the entrepreneur’s passionate inventing activities which makes them share perspectives, attitudes and goals. This will trigger the employee’s concordant affective reaction when they perceive higher levels of entrepreneurial passion for inventing (Epstude et al., 2009).

Passion for developing is associated with the growth and expansion of the venture after founding (Cardon et al., 2009). Entrepreneurs with the developing identity exhibit different strategies for organizational management than their counterparts (Gundry et al., 2001). They display positive affect when engaging in activities like finding new customers, developing new markets and optimizing organizational processes that are essential for making the company successful in the long run. Employees’ perception of higher levels of passion for developing will indicate that their goals are aligned with those of the entrepreneur. In combination with an incentive system which allows employees to participate in the venture success intensify the concordant transfer of positive affect (Platow et al., 2005; Sullins, 1991).

Entrepreneurs who are passionate for founding display positive affect during activities related to the creation of a new firm (Katz et al., 2000). This relates the assembling the necessary financial, human and social resources needed to create a new venture (Cardon et al., 2009). The founder role identity can be both complex and central to an entrepreneur’s self-concept (Hoang et. al., 2010).

Entrepreneurs who experience passion for founding fundamentally enjoy the process and often develop identities that are linked with venture identity (Cardon et al., 2005). Ucbasaran et al., (2008) and Westhead et al., (1998) argue that entrepreneurs who manifest high levels of passion for founding are habitual entrepreneurs. Some habitual
entrepreneurs retain ownership and manage their ventures as part of a larger portfolio of businesses (Westhead et al., 1998).

2.6 Chapter Summary
The literature review shows the entrepreneurial personality traits that affect venture growth and development. The following chapter is based on the research methodology. The subsequent chapters four and five are based on the results and discussion, recommendation and conclusion of the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter presents the methodology that was be used in the study. It is divided into five sub-sections: research design, population and sampling design, data collection methods, research procedures and data analysis methods to be observed in the study. The purpose of the study is to establish the relationship of entrepreneurial passion, entrepreneurial self-efficacy and acquisition of new resource skill to subsequent development and growth of ventures.

3.2 Research Design
According to Keringer (1986), research design is the plan and structure of investigation so conceived as to obtain answers to research questions. It is the blueprint for fulfilling objective and answering questions. Selecting a design may be complicated by the availability of a large variety of methods, techniques, procedures, protocols and samplings plans (Cooper and Schindler, 2014).

A descriptive design was be used in the study. The research objectives of descriptive studies are descriptions of phenomena or characteristics associated with subject population, estimates of the propositions of a population that have these features and discovery of associations among different variables (Cooper et al., 2014).

3.3 Population and Sampling Design
3.3.1 Population
The population is the total collection of elements whereby references have to be made (Copper et al., 2008). The target population refers to people, events or records that contain desired information and can answer the measurement questions and then determine whether a sample or census is desired (Cooper and Schindler, 2014).

The study target population under the study consists of fifty (50) entrepreneurs and aspiring entrepreneurs in Nairobi, Kenya. The study population under the study is entrepreneurs and aspiring entrepreneurs in business incubators in Nairobi, Kenya. The number of business incubator hubs under the study is six with an approximate population of 150 tenants. A sample size of 30% of the target population is recommended according to Mugenda and Mugenda (2003).
Table 3.1: Population

<table>
<thead>
<tr>
<th>Name of Business Incubator</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Population</td>
</tr>
<tr>
<td>Nailab</td>
<td>30</td>
</tr>
<tr>
<td>IHub</td>
<td>30</td>
</tr>
<tr>
<td>Akirachix</td>
<td>30</td>
</tr>
<tr>
<td>NEVA</td>
<td>30</td>
</tr>
<tr>
<td>Zalego</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>150</strong></td>
</tr>
</tbody>
</table>

Source: Researcher (2016)

3.3.2 Sampling Design

3.3.2.1 Sampling Frame
The sampling frame is defined by Cooper et al., (2014) as the list of elements from which a sample is drawn. It is a complete and correct list of population members only. The sampling frame for this study is forty-five entrepreneurs and aspiring entrepreneurs.

3.3.2.2 Sampling Technique
Stratified random sampling technique was used in the study. According to Sarandokos (2005), it is the probability sampling procedure where the target population is divided into some strata and a sample drawn from each stratum. The results of the study can be weighted and combined into appropriate population estimates (Cooper et al., 2014). The researcher chooses a stratified random sampling so as to increase a sample’s statistical efficiency, to provide adequate data for analyzing the various subpopulations or strata and to enable different research methods and procedures to be used in different strata (Goode and Hatt, 1952). The population was divided into two strata; entrepreneurs and aspiring entrepreneurs with homogenous characteristics.
3.3.2.3 Sampling Size
The sample size is calculated using (Yamane, 1967) formula, assuming 95% confidence level as below;

\[ n = \frac{N}{1+N \cdot (e)^2} \]

Where;

N = is the population size

e = allowed error

\[ n = \frac{50}{1+50(0.05)} \]

Target population N=50

e= 0.05

Sample Size=45

3.4 Data Collection Methods
Data is defined by Cooper et al., (2014), as the facts presented to the researcher from the study’s environment. Data collection is the process of gathering relevant data to guide in the course of answering the presented research questions.

The study used both primary and secondary data. Primary data was collected from the target population. Questionnaires were administered through drop and pick and email while secondary data was drawn from past research findings and journal articles.

The questionnaires were developed from the research questions, and contained both open ended and closed ended questions. The questionnaires were self- administered and shared to respondents by both pick and drop and email.

3.5 Research Procedures
A pilot test on the questionnaire was conducted to establish its validity and reliability using random sampling approach. The results from the pre-test were analyzed using Statistical Program for Social Sciences (SPSS), and the results were used to improve the questionnaire.
The refined questionnaires were administered to the target population of the sampling frame elements within the respective strata under survey through self-administered questionnaires both by email and self-dropping and picking. This ensured confidentiality, accuracy and anonymity of the respondents.

3.6 Data Analysis Methods
According to Mugenda (2008), data analysis is the process of giving structure and meaning to the mass of information collected. Statistical Program for Social Sciences (SPSS) was used to interpret the data.

The quantitative data was analyzed using descriptive statistics and regression. General distribution which includes frequency and percentage, measures of central tendency which include the minimum, maximum, mean, mode, median, skewness and kurtosis and measures of dispersion which include standard deviation and variance were used in the descriptive analysis while correlation was used in the inferential analysis.

The minimum and the maximum show the full spread of the data (Moore et al., 2009). The mean of a data set is the sum of the observations, divided by the number of observations (Weiss, 2012). Standard deviation measures the spread by looking at how far the observations are from their mean. It is also the square root of the variance (Moore et al, 2009) thus the variance of a set of observations is the average of the squares of the deviations of the observations from their mean (Moore et al, 2009).

A distribution of data in which the right half is a mirror image of the left half is said to be symmetrical therefore skewness refers to when a distribution is asymmetrical (Black, 2010). Kurtosis describes the amount of peakedness of a distribution. Distributions that are high and thin are referred to as leptokurtic distributions. Distributions that are flat and spread out are referred to as platykurtic distributions. Between these two types are distributions that are more “normal” in shape, referred to as mesokurtic distributions (Black, 2010).

The data was presented in figures, bar graphs, histograms and tables for easy interpretation and understanding.

3.7 Chapter Summary
This Chapter describes the research methodology that was be used by the researcher in conducting the study. The section describes the population of the study, the sampling
design and frame, the sampling technique, sample size, data collection methods and analysis by use of SPSS.

The following chapter presents the results and findings of the study based on the research questions. The subsequent chapter five will present the discussion, recommendation and conclusion of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter gives the results of the research which are in line with the research questions of the study. Descriptive research design and regression was used to come up with the findings by the use of SPSS. The response rate of the study was 97.8% out of the targeted 45 respondents.

4.2 Demographics
4.2.1 Age of the Respondents
The age distribution of respondents is; 18-25 were 15.9%, 25-30 were 29.5%, 30-35 were 20.5%, 35-40 were 20.5%, 40-50 were 9.1% and 50-60 were. The age bracket with the highest number of respondents was between 18-25 years and the lowest was between 50-60 years.

![Figure 4.1: Age of respondents](image)

4.2.2 Gender of the Respondents
From the figure, number of male respondents is at 29.5% and for female at 70.5% of the total population.
Table 4.1: Gender of respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>13</td>
<td>29.5</td>
</tr>
<tr>
<td>Female</td>
<td>31</td>
<td>70.5</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2.3 Own Business Venture
A cumulative of 75% of the respondents have an existing venture or the venture is in the development stage. The other 25% of the sample population do not have an existing venture.

![Own Business Venture Graph](image)

Figure 4.2: Own Business Venture

4.2.4 Age of the Respondents in relation to Venture Development
Age bracket of 25-30 years represents the highest number of the sample size that have an existing venture and a venture in development. Age bracket of 30-35 years represents the highest number of the sample size without an existing venture. Age bracket of 50-60 years have an equal number of respondents with an existing venture and those that do not own an existing venture.
Figure 4.3 Age bracket of respondents in relation to Venture Development

4.2.5 Self-efficacy, Passion and New resource skill in relation to the age of the respondents

Age bracket 18-25 years has the respondents with the highest levels of self-efficacy, passion and new resource skill in relation to entrepreneurship. 25-30 years had the lowest level of resource skill, 40-50 had the lowest level of self-efficacy and 50-60 had the lowest passion in relation to entrepreneurship.
4.2.6 Venture Development in relation to gender of the respondents

Females have a generally the highest number of respondents in all the three venture development stages asked in the study. They also have an equal number of respondents who do not have an existing venture and those which are in development.

4.2.7 Self-efficacy, Passion and New Resource Skill in relation to gender

Self-efficacy and passion is higher in male than the female population. However, new resource skill is higher in females than males.
Figure 4.6 Self-efficacy, Passion and New Resource Skill in relation to gender

4.3 Descriptive Statistics

Table 4.2: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Range</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Variance</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
</tr>
<tr>
<td>Age bracket</td>
<td>5</td>
<td>1</td>
<td>6</td>
<td>2.91</td>
<td>.21</td>
<td>1.39</td>
<td>.44</td>
<td>-.58</td>
</tr>
<tr>
<td>Indicator variable for sex</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>.70</td>
<td>.07</td>
<td>.46</td>
<td>-.93</td>
<td>-1.19</td>
</tr>
<tr>
<td>Own an existing Business Venture</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>1.20</td>
<td>.124</td>
<td>.82</td>
<td>-.40</td>
<td>-1.41</td>
</tr>
<tr>
<td>New Resource Skill</td>
<td>4.17</td>
<td>2.33</td>
<td>6.50</td>
<td>4.96</td>
<td>.15</td>
<td>.93</td>
<td>.87</td>
<td>-.99</td>
</tr>
<tr>
<td>Passion</td>
<td>5.27</td>
<td>1.60</td>
<td>6.87</td>
<td>5.15</td>
<td>.20</td>
<td>1.34</td>
<td>1.82</td>
<td>-1.29</td>
</tr>
<tr>
<td>Self-Efficacy</td>
<td>5.60</td>
<td>1.40</td>
<td>7.00</td>
<td>5.59</td>
<td>.23</td>
<td>1.53</td>
<td>2.33</td>
<td>-1.71</td>
</tr>
<tr>
<td>List wise N=44</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The range is the difference between the largest value of a data set and the smallest value of a set. This means that the Range = Maximum – Minimum, as the values in table 4.2 above illustrate. The minimum and the maximum show the full spread of the data. The maximum value is the highest value recorded for a particular variable in the data set, while the minimum value is the lowest value recorded for a given variable in the data set.
The mean of a data set is the sum of the observations, divided by the number of observations. Since the standard deviation of the mean determines the amount of sampling error to be expected when a population mean is estimated by a sample mean, it is often referred to as the standard error of the sample mean. The mean values displayed in table 4.2 are the average values for the respective variables in the data set, along with the standard errors of the sample mean.

Standard deviation measures the spread by looking at how far the observations are from their mean. It is also the square root of the variance. Since the values of the standard deviation are small, we can assume that the observations do not deviate very far from their respective means.

The variance of a set of observations is the average of the squares of the deviations of the observations from their mean. The variance is also the square of the standard deviation, as indicated in table 4.2.

A distribution of data in which the right half is a mirror image of the left half is said to be symmetrical, for example, the normal distribution. Skewness is when a distribution is asymmetrical or lacks symmetry. Subject to the data set of this study, all the values of skewness are negative. This means that the variables are negatively skewed or skewed left. That is, when the data for the respective variables is graphically represented, the left tail of the distribution will be longer than the right tail.

When the standard deviation of a statistic is estimated from the data, the result is called the standard error of the statistic. Specifically, when the standard deviation of the skewness is estimated from the data, the result is the standard error of skewness. Also, when the standard deviation of the kurtosis is estimated from the data, the result is the standard error of kurtosis.

Kurtosis describes the amount of peakedness of a distribution. Distributions that are high and thin are referred to as leptokurtic distributions. Distributions that are flat and spread out are referred to as platykurtic distributions. Between these two types are distributions that are more “normal” in shape, referred to as mesokurtic distributions. According to the results of the Kurtosis test of shape, the kurtosis of all the variables, both dependent and independent, are less than 3. This means that when compared to a normal distribution, the central peak is lower and broader, and the tails are shorter and thinner. Therefore, the distribution is a platykurtic distribution.
4.4 The relationship between dependent variable and independent variables
A widely used measure of fit for regression models is the coefficient of determination, or R². The coefficient of determination is the proportion of variability of the dependent variable (y) accounted for, or explained, by the independent variable (x).

Table 4.3: Model summary of the regression analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.832</td>
<td>.693</td>
<td>.668</td>
<td>.72410</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Resource skill, Own an existing business venture, Self-efficacy

It is calculated using the formula:

\[ R^2 = \frac{(SST - SSE)}{SST} \quad (i) \]

Where; sums of squares total (SST) and sum of squares error (residual - SSE)

When equation (i) is substituted with the SST and SSE values provided in table 4.4 below, the result is: \[ R^2 = \frac{(63.143 - 19.400)}{63.143} = 0.692761 \quad (ii) \]

The correlation coefficient measures the strength of the linear relationship between two quantitative variables and the coefficient is usually denoted as “R”. The coefficient of determination, R² equals the square of the linear correlation coefficient, R. Thus, “R” is, simply put, the square root of the coefficient of determination. That is, from equation (ii) above, \( \sqrt{0.692761} = 0.832323 \).

Sometimes additional independent variables add no significant information to the regression model, which may cause R² to yield an inflated figure. The adjusted R² takes into consideration both the additional information each new independent variable brings to the regression model and the changed degrees of freedom. The adjusted R², when calculated, was found to be 0.668. This means that the fitted model explains approximately 66.8% of variations of the dependent variable, “passion”.

The standard error of the estimate, denoted \( s_e \), is a standard deviation of the error of the regression model. The standard error of the estimate indicates how much, on average, the predicted values of the response variable differ from the observed values of the response variable. The standard error of the estimate, according to the data set, is 0.72410.
Table 4.4: ANOVA Table

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>43.743</td>
<td>3</td>
<td>14.581</td>
<td>27.809</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>19.400</td>
<td>37</td>
<td>.524</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>63.143</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Passion
b. Predictors: (Constant), Resource skill, Own an existing Business Venture, Self-efficacy

The analysis of variance, commonly known as ANOVA, summarizes information about the sources of variation in the data set. It is based on the framework below:

\[ \text{SST} = \text{SSR} + \text{SSE} \]

The null hypothesis is that there is no statistical difference among the means of the variables: \( H_0 : \mu_1 = \mu_2 = \mu_3 = 0 \). The alternative hypothesis is that at least one \( \mu \) is statistically different. Assuming that alpha, \( \alpha \), is 0.05, if the p-value, denoted by “Sig.”, is less than or equal to \( \alpha \), i.e. if \( p \leq 0.05 \), we reject the null hypothesis, \( H_0 \). As an alternative, if the F-value is greater than the F-tabulated value, we reject \( H_0 \).

An ANOVA is computed with the three sums of squares: total (SST), treatment (regression - SSR) and error (residual - SSE). SSR is the sum of square regressions, which measures the variation between treatments, whereas the SSE is the sum of squares of error, which yields the variation within treatments. The SST is the total sum of squares, and is a measure of all variation in the dependent variable. Based on the results in table 4.4 above, the SSR is 43.743, the SSE is 19.400, and the SST is 63.143.

The term degrees of freedom, denoted by “df”, refer to the number of independent observations for a source of variation minus the number of independent parameters estimated in computing the variation. Specific to this study, the degrees of freedom for the regression are 3, while the degrees of freedom for the residuals is 37, and the degrees of freedom for the total is 40. A sum of squares divided by its degrees of freedom is referred to as a mean square. The SSR was divided by the degrees of freedom for the regression to get the MSR (mean square of the regression), which is 14.581. Similarly, the MSE (mean square of error) was calculated to get 0.524.
In the ANOVA situation, the F-value is a ratio of the treatment (regression) variance to the error (residual) variance (Black, 2010). It is denoted by F(3,37) = 27.809. This value is compared to the critical F-value, 2.8588. Since the F-value is greater than the F-tabulated value, we reject H0. The p-value, denoted by “Sig.”, is 0.000. And since the it is less than 0.05, we can reject the null hypothesis, and conclude that the means of the variables are significantly different; F(3,37) = 27.809; p = 0.000.

4.5 The relationship between dependent variable and independent variables
Regression is a statistical measure that attempts to determine the strength of the relationship between one dependent variable and other independent variables.

Table 4.5: Coefficients of the linear regression model

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.518</td>
<td>.718</td>
<td></td>
<td>.721</td>
</tr>
<tr>
<td>Own an existing Business Venture</td>
<td>.135</td>
<td>.139</td>
<td>.089</td>
<td>.971</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>.797</td>
<td>.093</td>
<td>.826</td>
<td>8.614</td>
</tr>
<tr>
<td>Resource Skill</td>
<td>-.001</td>
<td>.129</td>
<td>-.001</td>
<td>-.006</td>
</tr>
</tbody>
</table>

Based on the values in table 4 above, the linear regression model below is developed:

\[ y = \beta_o + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]

Where y is the dependent variable, \(\beta_o\) is the intercept, \(\beta_1\), \(\beta_2\), and \(\beta_3\) are the parameters associated with their respective independent variables, and \(\varepsilon\) is the collective error term. When the model is substituted with the unstandardized coefficients of B provided in table 4.5, we are presented with the model:

\[ \text{Passion} = 0.518 + 0.135 \text{Own} + 0.797 \text{Self-efficacy} - 0.001 \text{Resource Skill} \]

This means that for every unit increase in the own an existing business venture variable, a 0.135 unit increase in passion is predicted, holding all other variables constant. Similarly, for every unit increase in the self-efficacy independent variable, a 0.797 unit increase in passion is predicted, holding all other variables constant. For every unit increase in the resource skill independent variable, a 0.001 unit decrease in passion is predicted, holding all other variables constant. That is, the resource skill and passion have an inverse relationship, or are inversely correlated.
The standard deviation of a statistic used to estimate a parameter is called the standard error of the statistic. The standard errors of the unstandardized coefficients in this study are outlined in table 4.5 above.

The standardized beta coefficients are the result of the standardization of all the variables, both dependent and independent, and show the change in the dependent variables measured in standard deviations. It can also be noted from table 4 above that the larger betas are associated with the larger t-values and lower p-values.

The columns labeled t and Sig. in table 4.5 are the t-statistics and their associated two-tailed p-values used in testing whether a given coefficient is significantly different from zero. Using alpha (α) = 0.05, the coefficient for “Own an existing business venture” (0.135) is not statistically significantly different from 0, because its p-value is 0.338, which is greater than 0.05. The coefficient for self-efficacy (0.797) is significantly different from 0, because its p-value is 0.000, which is less than 0.05. The coefficient for resource skill (-0.001) is not statistically significantly different from 0, because its p-value is 0.995, which is greater than 0.05. The intercept (0.518) is not significantly different from 0 at the alpha = 0.05 level, because its p-value is 0.475.

The model shows a significant relationship between self-efficacy and entrepreneurship. The other variables have a weak significance in regards to entrepreneurship. Therefore, the study has established entrepreneurial self-efficacy as the trait that fuels up development and growth of entrepreneurship.

4.6 The relationship between variables
Correlation measures the direction and strength of the linear relationship between two quantitative variables. The Pearson correlation matrix is the simplest way to assess the amount of collinearity (severely correlated independent variables) in a set of independent variables. Correlation indicates the direction of a linear relationship by its sign: $r>0$ for a positive association, and $r<0$ for a negative association; it always satisfies $-1 \leq r \leq 1$ and indicates the strength of a relationship by how close it is to −1 or 1 (Weiss, 2012). At the 95% level of confidence, the corresponding level of significance is 0.05. If $p \leq 0.05$, the Pearson correlation test is statistically significant and if $p > 0.05$, then the Pearson correlation test is not statistically significant.
Table 4.6: Correlation

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Age bracket</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>2.91</td>
<td>1.40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Own an existing Business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Venture</td>
<td>1.20</td>
<td>.82</td>
<td>-.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) Resource Skill</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>4.96</td>
<td>.93</td>
<td>.05</td>
<td>.03</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4) Self-efficacy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>5.59</td>
<td>1.53</td>
<td>-.25</td>
<td>-.09</td>
<td>.31*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5) Passion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>5.15</td>
<td>1.35</td>
<td>-.24</td>
<td>.01</td>
<td>.26</td>
<td>.86*</td>
<td></td>
</tr>
</tbody>
</table>

List wise N=44

Using the output in table 4.6 above, and the 0.05 level of significance, there is a negative relationship between own an existing business venture and the age bracket, but it is *not* statistically significant; \( r = -0.004; p = 0.981; N = 44 \). There is a positive relationship between resource skills and the age bracket, but it is *not* statistically significant; \( r = 0.051; p = 0.751; N = 41 \). There is a negative relationship between self-efficacy and the age bracket, but it is *not* statistically significant; \( r = -0.247; p = 0.106; N = 44 \). There is a negative relationship between passion and the age bracket, but it is *not* statistically significant; \( r = -0.235; p = 0.125; N = 44 \).

There is a positive relationship between the resource skills and the own an existing business venture variable, but it is *not* statistically significant; \( r = 0.026; p = 0.869; N = 41 \). There is a negative relationship between self-efficacy and the own an existing business venture variable, but it is *not* statistically significant; \( r = -0.095; p = 0.542; N = 44 \). There is a positive relationship between passion and the own an existing business venture variable, but it is *not* statistically significant; \( r = 0.007; p = 0.963; N = 44 \).

The relationship between the resource skill and the self-efficacy variable is positive and statistically significant; \( r = 0.313; p = 0.047; N = 41 \). There is a positive relationship between the resource skill and the passion variable, but it is *not* statistically significant; \( r = 0.260; p = 0.100; N = 41 \). The relationship between the self-efficacy variable and the passion variable is positive, and is statistically significant, because the \( p \) – value is 0.000, which is less than 0.05.
4.7 Chapter Summary
The chapter presented the findings of the study as per the questionnaire. Descriptive statistics and regression was used to analyze the data. The subsequent, will present the summary, discussion, conclusion and recommendation of the study.
CHAPTER FIVE

5.0 DISCUSSION, RECOMMENDATION AND CONCLUSION

5.1 Introduction
The chapter presents the summary of the findings, discussion of the findings as per the research questions and conclusion and recommendation for further studies on the research area.

5.2 Summary of the findings
The purpose of the Study is to determine the relationship of entrepreneurial traits to venture development and growth. The research questions for the study were: what impact does venture development have on entrepreneurship passion? What impact does self-efficacy have on entrepreneurship passion? What impact does new resource skill have on entrepreneurship passion?

The research methodology used by the researcher in conducting the study was descriptive design. The dependent variable in the study was passion and the independent variables were; venture development, self-efficacy and new resource skill. The research was conducted among six Business Incubators in Nairobi which host entrepreneurs and aspiring entrepreneurs with a sample size of forty five (45). The data was analyzed using Statistical Program for Social Sciences (SPSS). Descriptive statistics and regression were used in the study to interpret the data.

The major findings of the study in regards to the relationship between the dependent variable; passion and the independent variables; venture growth, self-efficacy and new resource skill were: Passion and venture development have a positive relationship, however, it is not statistically significant. Therefore, the entrepreneur’s passion has nothing to do with the development and growth of the venture. The relationship between passion and self-efficacy is positive and statistically significant. These findings suggest that passion has nothing to do with entrepreneurship but self-efficacy. Therefore, self-efficacy has the strongest effect in regards to venture development and growth. Lastly, the relationship between passion and new resource skill was also weak. This suggests that entrepreneur’s new resource skill has no relation to venture development and growth.
5.3 Discussion

5.3.1 What impact does Venture Development have on entrepreneurship passion?
The study was able to establish that a positive relationship between passion variable and own an existing business venture variable, but it is not statistically significant since $p = 0.963$ and according to Pearson’s Correlation, if $p > 0.05$, the test is not statistically significant. Using alpha ($\alpha$) = 0.05, the coefficient for “Own an existing business venture” (0.135) is not statistically significantly different from 0, because its p-value is 0.338, which is greater than 0.05.

This result concurs with previous research of entrepreneurial traits by (Baum et al., 2004) which shows no relationship between passion and subsequent venture growth. Murnieks et al., (2014) suggest that direct relations were not found in previous studies since identity constructs were not explicitly considered. They further hypothesize that entrepreneurial identities are key correlates capable of influencing the rise or fall of passion.

Most research investigating the relationship between passion and behaviour among entrepreneurs has assumed identity importance of passion (Cardon et al., 2009) as opposed to theorize about or measuring it. The analysis of individual behaviour of entrepreneurs will provide useful insights for future research into identity factors residing within the self-concept that might be responsible for the growth or decay of passion (Murnieks et al., 2014).

According to Murnieks et al., (2014), entrepreneurial passion is linked to entrepreneurial identity centrality rather than salience since ascribing importance in centrality rankings is likely to involve an autonomous decision. Individuals work through a cognitive process in assigning centrality to identities where they prioritize whether the identity in question is important to self-concept (Stryker & Serpe, 1994).

Murnieks et al., (2014) refer to identity salience as the readiness to enact identity-related behaviours. They further argue that entrepreneurs may enact salient identities without necessarily believing they are central to their self-concept and the hierarchies of salience can be affected by many extrinsic factors thus not necessarily autonomous in nature. Furthermore, they conclude that it is not clear that the relationship between identity salience and entrepreneurial passion is likely to be consistent across most entrepreneurs, given their different inputs into identity salience.
Murnieks et al., (2014), argue that identity centrality is more likely to be liked with entrepreneurial passion than identity salience. They further hypothesize identity salience as an important control variable in any assessment of links between identity centrality and passion. This concurs with the works of identity theorists (Stryker & Serpe, 1994) who argued that tests of identity centrality should involve salience so as to account for variance across constructs.

Consequently, passion for innovation, passion for development and passion for founding should be linked to identity centrality and identity salience as a control variable to help individuals determine which domain of entrepreneurship has a higher centrality. This would enable individuals to identify the exact entrepreneurial passion, which would foster the development of entrepreneurship and entrepreneurial studies. According to Murnieks et al., (2014), if we are to attempt to help individuals and entrepreneurs better understand their passion, more insights into the pathways and constructs through which passion impact individuals themselves.

5.3.2 What impact does self-efficacy have on entrepreneurship passion?

The relationship between the self-efficacy variable and the passion variable is positive, and is statistically significant, because the p-value is 0.000, which is less than 0.05. The coefficient for self-efficacy (0.797) is significantly different from 0, because its p-value is 0.000, which is less than 0.05.

Previous study by (Baum et al., 2004), supported the relationship of self-efficacy and entrepreneurial passion. Further in their study, self-efficacy had the strongest direct effect on venture growth. Other authors too have argued that self-efficacy has a great impact on entrepreneurs (Baum & Bird, 2010; Hmieleski & Corbett, 2008). In addition, Krueger et al., (2000) found self-efficacy to be a good predictor of start-up intentions, and Markman et al., (2002) referred to self-efficacy as a key determinant of new venture growth.

Forbes (2005), entrepreneurial self-efficacy can help predict how well entrepreneurs perform the tasks associated with new venture management and venture performance. According to Boyd & Vozikis (1994), self-efficacy construct is necessary for entrepreneurial studies since it is a task-specific construct that includes an assessment of confident beliefs an individual has about personality and environment limitations and opportunities.
Entrepreneurial self-efficacy in the study is higher in the male population. This result concurs with the previous study by Wilson et al., (2007) on gender, entrepreneurial self-efficacy and entrepreneurial career. According to Eccles (1994), individuals choose their occupations where they feel they have the highest chances of success. Thus, even if women feel they have entrepreneurial skills, they are likely to choose an alternative career if they believe they possess stronger skills in that area. Consequently, self-efficacy can be a potential barrier to entrepreneurship for even the brightest and most confident women (Wilson et al., 2007).

Further, Wilson et al., (2007) in their study found that education on entrepreneurship changes self-efficacy in women than in men and this supports the importance of well-designed education in expanding the perceived entrepreneurial career options of women. Since self-efficacy is domain specific, task specific and can be changed (Hollenbeck & Hall, 2004), individuals may be highly confident but may feel that they do not have what is needed to be successful in certain specific areas such as new venture development (Boyd & Voziks, 1994).

From the study, respondents of the age bracket 18-25 years had the highest self-efficacy. This may indicate that they are highly motivated and are able to take risk in terms of starting a new venture. Probably because they have just started their career or are yet to explore other career options since the group consists of individuals who are still pursuing tertiary education or have just finished. The age bracket 25-30 years has the lowest levels of self-efficacy in the study. This could be an indicator of risk averse since they opt to develop the careers which they are already sure of instead of perusing entrepreneurship. The age bracket of 30-35 years is the second highest in self-efficacy. This could be an indicator that the individuals have already acquired the much needed experience in their career path and are ready to venture into entrepreneurship. Therefore the self-efficacy of the other age brackets in the study may be enhanced since it can be changed.

According to Bandura (1982), entrepreneurial self-efficacy can be developed through mastery experience, modeling, social persuasion and judgement of their own psychological states. Therefore, self-efficacy of the population under the study may be enhanced through education, apprenticeship, motivation from qualified person’s and own self esteem. This may help in venture start-up and development especially for individuals with low entrepreneurial confidence.
5.3.3 What impact does new resource skill have on entrepreneurship passion?
The relationship between new resource skill variable and the passion variable is positive, but it is not statistically significant since \( p = 0.100 \) and according to Pearson’s correlation, if \( p > 0.05 \), the test is not statistically significant. The coefficient for new resource skill (-0.001) is not statistically significantly different from 0, because its p-value is 0.995, which is greater than 0.05. Previous research on personality traits, skills and motivation by (Baum et al., 2004) also concluded that new resource skill and passion are unrelated to venture growth.

From the study, the age brackets of 18-25 years have the highest level of new resource skill. This may indicate that at this age, weak ties and strong ties are essential since they are barely in the job market and networking may help broaden their entrepreneurial skill and growth of the startup ventures. Further, new resource skill is higher in the male population of the study than the females. This may be as a result of females being risk averse and having lower entrepreneurial self-efficacy thus limiting the number of networks they use to start or grow their ventures.

The results from the study may be due to lack of separation of the population in terms of innovative firms and non-innovative firms (Hadjimanolis, 2000). The owners of innovative firms are directly involved in both initiation and implementation phases of innovation thus they tend to use informal methods, weak and strong ties and personal interaction in innovation management. This is because they have a strong motivation for innovation due to their personal interest and enjoyment of their involvement in innovation projects (Hadjimanolis, 2000).

Further Hadjimanolis (2000), in the study of innovativeness in small firms, suggest that innovative firms invest more in R&D, employs a wide range of technological information sources and invest in external training of its work force. In addition, the study found a statistical relationship between R&D and innovation thus concluding innovators have medium or high R&D expenditure while no innovators have no or low R&D expenditure.

According to Lambe et al., (2002) in their study, alliance competence had a significant effect on complementary, idiosyncratic resources and alliance success. Alliance idiosyncratic resources refer to the resources which are developed during the life of the alliance and are unique and facilitate the combination of the distinct lower order resource contributed by the partner firms. On the other hand, complementary resources refer to the
degree of which firms in an alliance are able to eliminate deficiencies in each other’s portfolio of resources (Lambe et al., 2002).

Further in their study, Lambe et al., (2002) argued that idiosyncratic resources are a key mediating variable that influences alliance outcomes. This is as per their findings of indirect effect of complementary resources on alliance success through idiosyncratic resources and indirect effect of alliance competence on alliance success through idiosyncratic resources. These findings may explain the non significant relationship between venture development and growth since its direct effect was measured instead of indirect.

In addition to their study, Lambe et al., (2002) show alliance competence as a key antecedent to complementary resources, idiosyncratic resources and alliance success which supports the resource-based and competence based views of the firm and resource advantage theory. Thus alliance competence may be a critically important component of business success.

5.4 Conclusions
5.4.1 Impact of Venture Development on entrepreneurship passion.

The results of these study concur with (Baum et al., 2004), which found that passion had no direct effect on venture performance. The weak results of prior studies of entrepreneurial traits may not have caused by studying the wrong traits but it should be as an indirect effect rather than direct effect. This explains the non-significance relationship between the two variables.

Entrepreneurship passion is usually viewed as the core personality traits of venture development. However, the results from the study dispute the notion but further studies should be conducted to identify the specific measuring scale of passion. In addition the different aspects of passion should be measured separately to identify how they specifically affect venture development and growth.

5.4.2 Impact of Self-efficacy on entrepreneurship passion.

The findings of the study have concluded that venture growth and development is related to self-efficacy and not passion or new resource skill. This is because of its positive significance as opposed to the other variables. According to Bandura (1997), self-efficacy
is useful to performance, however, over confidence can be harmful when it is based on conditions and assumptions that no longer hold true (Audia et al., 2000).

In addition, Murnieks et al., (2012) in their study on the role of passion on entrepreneurs, their research demonstrated a positive correlation between entrepreneurial passion and self-efficacy. They suggest that entrepreneur’s passion may be an important driver of increased entrepreneurial self-efficacy. Consequently, prior entrepreneurship literature considers entrepreneurial self-efficacy to be a key predictor of entrepreneurial intentions (Boyd & Vozikis, 1994; McGee et al., 2009).

5.4.3 Impact of New Resource Skill on entrepreneurship passion.

The findings of the study have concluded that the relationship of entrepreneurial passion and new resource skill is not significant. In small companies like the ones in the study, the entrepreneur tends to have direct influence on every aspect of the business. Here, new resource skills worked through motivational mechanisms, but such skill may also operate through situational specific skills as well (Baum et al., 2004). Further, the results of the findings will add on to the previous work of (Baum et al., 2004) where they had the first empirical study of new resource skill.

Since the study of new resource skill is unexplored, the researcher is not quick to dismiss its relationship to venture development and growth. The resource based view of the firm should be studied further in the perspective of entrepreneurship to help identify its relationship with entrepreneurial passion.

5.5 Recommendations
5.5.1 Recommendation for improvement

5.5.1.1 What impact does Venture Development have on entrepreneurship passion?

The indirect effect of passion to venture development is because they are not linked to individual entrepreneurial actions which a key component of the study of entrepreneurship. Therefore, further studies should separate the different domains of passion; developing, founding and innovation and link to the specific identity that an individual has in relation to the domains. This will help to build up on the prior weak studies which focused on it as a direct effect to venture growth and development.
5.5.1.2 What impact does Self-efficacy have on entrepreneurship passion?
The research on entrepreneurial self-efficacy on venture development and growth will enable investors, educators and entrepreneurs to improve the way entrepreneurs perceive about their abilities by prompting venture to alter their decision process. Consequently, further studies on the relationship between entrepreneurial self-efficacy and venture development and growth will help foster entrepreneurship. This should be particularly be emphasized in Africa where the study of personality traits is yet to be explored.

5.5.1.3 What impact does New Resource Skill have on entrepreneurship passion?
In the study, there is no relationship between new resource skill and entrepreneurial passion. Since new resource skill is yet to be further explored, the researcher recommends studies on the indirect effect to build up on the weak results. Its understanding will help foster entrepreneurial studies and entrepreneurship specifically in Africa.

5.5.2 Recommendation for Further Research
The research in this study is restricted to Business Incubators based in Nairobi and thus not able to represent the personality traits among entrepreneurs and aspiring entrepreneurs in region. Thus, the sample and its responses may not be a representation of entrepreneurial personality traits and future research can improve this limitation by increasing the sample size. In addition, further studies in entrepreneurial personality traits should be carried out especially in Africa where many small and medium sized enterprises thrive. This will help to understand the driving force of entrepreneurship in Africa and add to existing literature
REFERENCES


APPENDICES

Appendix I: Questionnaire
This questionnaire is meant to collect data on entrepreneurial personality traits that affect venture development and growth.

This questionnaire is meant to collect data on the relationship of entrepreneurial passion, new resource skill, and self-efficacy to subsequent venture growth.

Part A: General Information

1. Age bracket of respondents 18-25 ( ) 25-30 ( ) 30-35 ( ) 35-40 ( ) 40-50 ( ) 50-60 ( )
   Over 60 ( )
   Gender Male ( ) Female ( )

2. Do you have your own existing business venture?
   No ( ) In development ( ) Yes ( )

Answer the following questions using a scale of 1-7 in regards to these three variables in relation to venture growth; new resource skill, passion and self-efficacy where;

(1) Strongly disagree, (2) Disagree, (3) Somewhat disagree (4) Neutral (5) Somewhat agree
(6) Agree (7) Strongly agree

Part B: New Resource Skill in relation to venture growth

3. I believe innovativeness is determined by certain characteristics of the top manager.

4. I believe innovativeness is determined by the firm’s technological resources.

5. I believe innovativeness is determined by the firm’s innovative capabilities.
6. I believe in actively searching for alliance partners to jointly develop competitive advantage

7. If either company were to switch to another partner, we would lose a lot of investments made in the present relationship

8. We each have separate abilities that, when combined together, enable us to achieve goals beyond our individual reach.

Part C: Passion for work in relation to venture growth

Inventing Items

9. Inventing new solutions to problems is an important part of who I am.

10. I frequently think about inventing new solutions to business problems.

11. Identifying and developing new business opportunities is central to how I define myself.

12. I would feel a loss if I were forced to give up searching for new solutions to business problems.

13. When they think about who I am, people who know me well say that at heart, I'm an inventor.
Founding Items

14. Being the founder of a business is an important part of who I am.

15. I frequently think about starting/founding a business.

16. Being a developer of business is central to how I define myself.

17. I would feel a loss if I were forced to give up starting new businesses.

18. When they think about who I am, people who know me well say that at heart, I am a business founder.

Developing Items

19. Nurturing and growing companies is an important part of who I am.

20. I frequently think about developing and growing my venture.

21. Being a developer of businesses is central to how I define myself.

22. I would feel a loss if I were forced to give up nurturing and growing companies.
23. When they think about who I am, people who know me well say that at heart, I am someone who grows business ventures.

24. Starting this new business is much more desirable than other career opportunities I have.

25. If I start this new business, it will help me achieve other important goals in my life.

26. Overall, my skills and abilities will help me start this new business.

27. My past experience will be very valuable in starting this new business.

28. I am confident I can put in the effort needed to start this new business.

Part D: Self-efficacy in relation to venture growth

Thank you
### Appendix II: Implementation Schedule

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<td>Chapter 4 and 5 report</td>
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<tr>
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<td>Submission of project</td>
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Appendix III: Budget

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