FACTORS INFLUENCING THE GROWTH OF WOMEN OWNED BUSINESSES IN KENYA

BY

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STUDENT’S DECLARATION

I, the undersigned, declare this my original work and has not been submitted to any other college, institution or university other than United States University in Nairobi for academic credit.

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This project report has been presented for examination with my approval as the appointed supervisor.

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DEDICATION

The Author dedicates this project to the family and friends.
ABSTRACT

The general objective of this study was to establish the factors influencing the growth of women owned businesses in Kenya. The specific objectives for the study were: To determine how socio-economic factors affect the growth of women owned businesses; To establish how personal characteristic affect the growth of women owned businesses and final to find out how support influences the growth of women owned businesses;

This study employed a descriptive research design through a survey. The study focused on a population of 812 business women. They included all women owned handicraft businesses in the three handicraft markets in Nairobi; Westland’s Triangle Market, City Market and Village Market. Data was collected from 269 respondents who were selected using the stratified random sampling technique from the three different markets. The primary data was collected through a structured questionnaire and analyzed using descriptive statistics.

Research findings on the education and experience revealed that the majority of women had low level education and did not practice bookkeeping and budgeting in their businesses. The findings on family and work balance indicated that most of the women were married and did not get any support from their husbands. The results on financing showed that lack of capital was one of the problems affecting the growth of women owned business. They reciprocally used and invested income from the businesses on family expenditure. The study’s findings on personal qualities, networking and support revealed that women had a desire to achieve but did not have confidence, hence limiting their chances of running a successful business. In addition, most women ran their businesses themselves without support from any supporting group.

The study concluded that the general level of education of women in small scale businesses is still low and thus the wide spread lack of good business management skills and knowledge. Lack of family support had contributed to poor performance in the women owned businesses. Few (about half) of the women had access to the loan facilities. Lack of good leadership qualities and the desire to achieve had led to poor
performance in their businesses. The level of networking among the business women is very low.

The study recommends micro finance institutions should provide access to credit for women entrepreneurs at the level of micro and small-scale enterprises, through innovative programs and financing arrangements that go beyond the conventional approaches. Married women should be given support by their spouses in respect of finances, motivational encouragement, advice and actual involvement in the running of business. Women Enterprise Fund should make provisions in its policies and procedures to support individual women micro entrepreneurs through trainings to improve financial literacy for women entrepreneurs. The government should provide special programmes to train, build capacity and mentor women particularly in entrepreneurship to change women mind set to make women-owned enterprises more competitive and continuously work towards providing conducive business environment. In addition, the government should support women micro entrepreneurs to form co-operatives to save and access credit more rapidly to improve their enterprises. Women entrepreneurs are encouraged to join stakeholder network groups to socialize and benefit from contacts.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

This chapter addresses the introductory part of the research. It basically includes background of the study, statement of the problem, purpose and significance of the study, scope of the study, and definition of basic terms.

Growth of small-scale and medium enterprises (SMEs) owned by women is one of the prerequisites of fulfilling these SGD's and achieving vision 2030. There is a lack of an entrepreneurial culture in Kenya in general, more particularly, for potential and operating women owner/managers of SMEs. Njeru and Njoka, (1998) pointed out that women received substantial family support in the start-up stages of their businesses, but later on such support is limited, restricted or withdrawn for fear of husbands losing dominance over their wives. Other studies carried out in Kenya have attributed the lack of entrepreneurial culture among Kenyan women to: lack of confidence and self-belief; lack of a variety of strong and relevant networks; passive learning methods; and, starting up enterprises without adequate prior preparation (Kibas, 2006). These factors have limited women’s access to a meaningful business experience that lead to careers interrupted by family obligations (Affholder & Box, 2004). Additionally, barriers have been seen to impede women’s access to financial resources (Carter, 2003). Thus the main obstacles that women face in the growth of their businesses are educational and work background, psychological characteristics, motivation, perception and career efficacy, training and skills development, comparative earnings levels, management practices, external networking, desire to succeed and other obstacles (Cromie & Birley, 1992).

Entrepreneurship in this study was defined as an integrated concept that permeates an individual’s business in an innovative manner (Kuratko & Hodgets, 2007). Entrepreneurship all over the world is emerging today as an avenue for gainful employment, a means of helping women to assert themselves in the world of work, and a way of improving both their economic and social status (Hassan & Mugambi, 2013).
Growth in this study was defined as an investment style that looks for stocks with strong earnings and/or revenue increase Kuratko and Hodgetts (2007). It means increase in sales, profits, employees, production and service lines. The measurement of growth can be through welfare and social indicators that include meeting not only basic needs but lifting the standards of living through better health, education, higher earning and purchase of goods and services (Bindra, 2006).

Women entrepreneurship has continued to show a very limited trend in growth if not retardation. The women entrepreneur’s poverty level is high. The challenges and constraints faced by women in the sector are gender disparity, cultural and traditional practices, lack of education, multiple roles, discrimination and lack of information (Kenya’s paper 2, 1992). The Kenya government aims at achieving industrialization by 2015, economic and political stability by 2030. For Kenya to achieve her stated goal in the Vision 2030 “equity and poverty elimination” one of the strategic plans is to increase opportunities all around women. Specific strategies involve increasing women participation in economic, social and political decision making processes as well as their access to business opportunities, health and education services, housing and justice by 2012 ( 8th National Development Plan (NDP), 2007). There has been a significant growth in female self-employment in Kenya, with women now starting new venture, at three times the rate of men. By forming over 70 percent of all new businesses, women now own over 8.5 million small businesses employing over 17 million people; an increase of over 45 percent since 1990 (Robert & Michael, 2002).

This study concentrated on women entrepreneurs within the handicraft markets which are a part of the jua kali sector, as they are the most affected by lack of growth (Republic of Kenya, 2005). The jua kali sector will include the small-scale and medium enterprises (SMEs) in Nairobi Country. Jua kali literally means fierce sun (Dondo, 1997). In this sector, many men and women often work in the open air. The meaning of Jua kali has been modified by the inclusion of many other enterprises that are not necessarily carried out in the open. Jua kali are those firms comprising of furniture making, welding, mechanics, panel beating and other fabrication works (Gakure, 2003). They are firms operating in fixed locations whose workshops are either permanent, semi-permanent or temporary and the owners have one or more employees in their payroll, Gakure says.
There is evidence that women owned businesses in the informal handicraft sector are not growing as they are not expanding in terms of stock (Republic of Kenya, 2004).

One key economic factor is lack of business knowledge and lack of training which cause lack of continuity in stock, as it’s often reported in the other studies (Carter, 1991). Women tend not to have much, if any, work experience related to the area in which they set-up their businesses, while the opposite tends to be observed for men (ILO, 2007), and this has a negative impact on the growth of their businesses (Kothari, 2004). Technology, education, and training factors are tightly interwoven and can prevent women entrepreneurs especially in the handicraft sector from reaching their profitability potential and growth.

Another key economic factor is lack of funds. Most of the time the businesses run out of stock and handicraft operators even close down for some time due to lack of funds to restock the business (Dondo, 1999). Women operating SMEs or formal large scale businesses all encounter varying degrees of difficulty in obtaining capital, guarantee, and fair lending terms. According to Carter (2003), “women may be disadvantaged in their ability to raise finances, guarantee required for external financing may be beyond the scope of most women’s personal assets and credit track record”(Carter, 2003). Lack of capital is the greatest barrier for growth of handicraft women owned businesses in Kenya as they require money to buy the raw materials to make the handicrafts.

Home and business balance is a social factor that affects women entrepreneurs. The women use the money gained after selling the stocks to buy food for the house instead of re-stocking (Republic of Kenya, 2004). Carter and Allen (1997) argue that the performance of a business will be linked to the manner in which its owner chooses to balance home and work. Kessy (2001), assert that studies that examine the challenges unique to women cite balancing family and business as the biggest obstacle to managing a business. Nevertheless, it is this difference that often spurs women to start a business - women often cite family needs, whereas men often cite economic reasons, Buttner (1993) and Rosa (1994). Women in the handicraft business find it difficult to balance family and business, as they have to make the items for sale themselves and this requires a lot of time. In addition they are also required to attend to the family need (McCormick, 2001).

Personal qualities are the physical aspects of an individual, and skills for which the individual may be recognized (Brush, 1997). In entrepreneurship, it’s the ability of a
person to recognize market opportunity and then motivate, drive and mobilize resources to meet it (Cheston, 2002). Other personal qualities include; independence, persistence, hard work, competitiveness, goal setting, risk-taking and natural leadership qualities. These characteristics influence entrepreneurial success in women-owned businesses (Brush, 1997). Women entrepreneurs share sharp communication skills, intuitive people skills, consensus building competencies, nurturing and integrating abilities (Carter, 2001). Women need to use all these skills as they strive to make appropriate decisions for their families and for the businesses. Women in the handicraft business are also affected by personal qualities, like ability to work hard, i.e. some women are able to prepare more handicrafts than others. In addition, some women are more innovative in handicrafts business than others thus being more successful than their counterparts (McCormick, 2001).

Lack of support from networks and business support agencies was found to be a great barrier in the growth of women owned enterprises in Kenya (Bindra, 2006). Studies showed that few men-owned businesses included women in their close business networks (Carter and Allen, 1997). Women business owners were often excluded from networks and relied on spouses for information and support instead of outside advisors such as bankers and lawyers (Buttner, 1993). Women in the handicraft businesses require networks to be able to acquire raw materials for their products at low prices and also support to enable them make several handicraft products for their business to be successful. Thus, it is important that women entrepreneurs know how to get into the networks and support for their business grow.

Based on this background, there arose the need to focus on new strategies, which can enhance the growth of businesses owned by women in the handicraft sector. Thus the need to study the factors that influence the growth of women owned businesses, in order to try and assist the women make a living since they were deemed more vulnerable than their male counterparts. The main issues that were of interest for this study include, the key factors influencing the growth of women owned business, the influence of personal characteristics on the growth of women owned businesses and the effects of support given to women owned business on the growth of their business.
1.2 Statement of the Problem

Due to the low economic status of most of the Kenyan citizens, a significant portion of the Kenyan adult population is employed in the small scale business sector (commonly known as the jua kali sector). This is because most of them do not qualify for most of the white-collar jobs by virtue of their low level of academic qualifications (Republic of Kenya, 2004).

Micro and Small Enterprises (MSE) owned by women within Kenya are unable to achieve optimum growth. Women entrepreneurship has equally continued to show very limited trend in growth if not retardation, the women entrepreneur’s poverty level is high in Kenya. Kenya’s session paper two of 1992 highlighted on the challenges and constraints faced by women in the sector as; gender disparity, cultural and traditional practices, lack of education, multiple roles, discrimination and lack of information. Gender inequality is also Highlighted as a challenge to development of the micro and small enterprises in session paper number 2 (2005). The government in is NDP (2007) Vision 2030 aims at achieving industrialization by 2015, economic and political stability by 2030. Entrepreneurship is the process of using private initiative to transform a business concept into a new venture or to grow or diversify an existing one. The government views micro and small enterprises (MSE) sector as one of the engines for faster economic growth. For Kenya to achieve her stated goal in the Vision 2030 “equity and poverty elimination” one of the strategic plans is to increase opportunities all around women. Specific strategies involve increasing women participation in economic, social and political decision making processes as well as their access to business opportunities, health and education services, housing and justice by 2012, implying that it is already late.

According to a report by the Kenyan Government, about 60% of women owned businesses fail due to lack of continuity in stock (Republic of Kenya 1999). Lack of funds has affected 80% of the expansion of businesses in terms of stock and number of employees (Karanja, 1996). This was attributed to the fact that most women used the money gained after selling the stocks to buy foodstuff for the house instead of restocking (Republic of Kenya, 1999). Cultural issues also led to lack of funds, for example the Muslims, they believe that money belongs to the men, thus women are not motivated to start and grow their businesses (Lim, 1996). In addition, the Kikuyu especially those in
Kiambu, the women do all the farming in the coffee farms, while the men receive the money. This discouraged the women from doing the businesses because they would not own the money (Gakure, 2003).

However, for these goals to be achieved ever, women owned enterprises growth is fundamental. In this respect, the government has made specific allocation of funds to the MSE sector with special consideration to the Gender (Women), youth and vulnerable groups. The jua kali sector has also been considered, Medium Term Plan (MTP) report 2008 – 2012). Numerous interventions have been put in place by several stakeholders, a culture and environment favorable to entrepreneurship has been emphasized in the government policies, however little positive impact has been observed. It has not been clearly established why else this enterprise could be stagnated and, hence need for the study.

1.3 General Objective

The purpose of these study was to establish the factors influencing the growth of women owned enterprises in Kenya in the handicraft sector.

1.4 Specific Objectives

The study was guided by the following specific objectives:

1.4.1 Determine the growth of women-owned businesses;
1.4.2 Determine how socio-economic factors influences the growth of women-owned businesses;
1.4.3 Establish how personal characteristics influences the growth of women-owned businesses;
1.4.4 Find out how support influences the growth of women-owned businesses.

1.5 Importance of the Study

Women should create their own jobs and become entrepreneurs since opportunities of getting employment in either government, non-government or a private organization is currently declining (Gemechis, 2007). This is possible only if the barriers affecting women entrepreneurs are solved, the study has the following significances.
1.5.1 Researchers

The study serves as an eye-opener as far as gender issues and growth in Kenyan entrepreneurship is concerned, a field of research that is relatively unexplored and hence merits serious attention especially considering the economic dilemma. Thus, this research could also be extremely valuable during economic reconstructing years in Kenya. This study attempts to fill this gap and focuses on factors influencing the growth of women owed enterprises in Kenya.

1.5.2 Family members of women in business

This study was carried out with a view to making policy recommendations aimed at improving the growth of women owned business, thus providing a good environment for enterprises and encouraging an increase in women owned enterprises. This knowledge is valuable to family members to help the women increase growth in their business. This study brings to light the economic characteristics of women that impede development of entrepreneurship.

1.5.3 Financial Institutions

This knowledge is important to financial institutions to be able to assist women to achieve their entrepreneurial potential. This study serves as a reference tool for researchers to help finance women entrepreneurs in the country and work towards providing them with the necessary knowledge to help their business grow. This knowledge is important to support agencies to be able to assist women to achieve their entrepreneurial potential. Assessment of factors on women entrepreneurs helps improve the SMEs by providing recommendations in financing that women can use to grow their business.

1.5.4 Women Entrepreneurs

In Kenya, the creation and ensuring success of new businesses is a major economic challenge. In the wake of the recent economic and governmental collapse, efforts to boost entrepreneurial activity might be an important contributor to the resurgence in the Kenyan economy. Hopefully the findings of this study will be considered by women
entrepreneurs in Kenya and applied in their new business ventures to increase growth in their business during this difficult stage of economic crisis.

The study also expanded and developed our knowledge of the factors that are influencing women entrepreneurs in the country. The contribution of the study was to provide well-researched recommendations that the Kenya women entrepreneurs can use to improve the growth of their businesses.

1.6 Scope of the Study

This study was limited to the Nairobi County. This study targeted particular aspects of entrepreneurship that influences the growth of women owned businesses in Kenya around the Nairobi County in the handicraft sector. It focused on key economic and social factors affecting the growth of women entrepreneurs. In addition, the study focused on major personal characteristics of women entrepreneurs to check whether these characteristics affect the growth of their business, and also on the support given to women entrepreneurs so as to minimize the problem the women entrepreneurs face. A representative sample of 269 respondents of women entrepreneurs in Nairobi County was used as a unit of analysis.

1.6 Definitions of Terms

1.7.1 Characteristics
Key personal and organizational features of women entrepreneurs in business.

1.7.2 Factors
Economic, socio-cultural, social influences that affect women entrepreneur’s overall activities and operations in SMEs.

1.7.3 Medium Enterprises
These are known by various names such as informal, survival of subsistence enterprises; they are very small. Medium Enterprises is defined as having no more than 11-50 employees. Many if not all, are owned and run by women and they tend not to grow
(Harper, 1998). In most cases, the owners of these businesses did not start them out of choice, but because they had to in order for them or their families to survive.

1.7.4 Small Enterprises (SEs)

A Small Enterprise is defined as having no more than 10 employees. SE are formal although many remain small or fail, they have potential to grow, they often employ non-family members on a regular basis, and most of them are started and managed by men (Pelham, 2000).

1.7.5 Small Scale and Medium Enterprises (SMEs)

This is defined as an enterprise, which is small scale in terms of the amount of capital or labor use. In addition, the SMEs are colored with social aspects. They are mostly traditional enterprises as opposed to modern enterprises (Lim, 1996).

The Government of Kenya defines SME as small and medium enterprises employing 1-50 employees, and hence for the purpose of this paper, SMEs comprise of businesses, which employ between 1 to 50 employees (Republic of Kenya, Economic Survey, 2004).

1.7.6 Women’s Enterprises

Women’s enterprises are those that are owned and controlled by women. That is, women take the key decisions, such as the quality and quantity of employment and how profits should be distributed or used. In reality, ownership and control of SMEs can be complex because of their close link with the patriarchal system which denies women power, even in activities they have initiated (McCormick, 2001).

1.7.7 Growth

It’s an investment style that looks for stocks with strong earnings and/or revenue increase (Kessy, 2010).

1.7.8 Support

Training, machinery, financial, raw material and facility assistances that is provided to SMEs.
1.7.9 Social - economic factors
Socioeconomic factors are the social and economic experiences and realities that help mold one's personality, attitudes, and lifestyle. The factors can also define regions and neighborhoods. Law-enforcement agencies throughout the country (Lim, 1996).

1.7.10 personal factors
Personality characteristics are the different traits that a person has that define who they are as an individual and can include traits, such as agreeable, deep, earnest, empathetic, energetic, enthusiastic, gracious, helpful, honest, honorable, idealistic, incisive, kind, leisurely, logical, lyrical, mature, neat, open, optimistic, passionate, patient, perceptive, self-defacing and stoic according to the Massachusetts Institute of Technology.

1.8 Chapter Summary
This chapter has given background information on the study. This chapter also highlighted the purpose of the study and the specific objectives. The main objective of the study was to investigate factors influencing the growth of women owed enterprises in Kenya in the handicraft sector. This study focused on key economic and social factors affecting the growth of women entrepreneurs. In addition, the study focused on major personal characteristics of women entrepreneurs to check whether these characteristics affect the growth of their business and also on the support given to women entrepreneurs so as to minimize the problem the women entrepreneurs face. It has also provided the importance of the study to Kenya as a country, to the women owned businesses and academicians. In addition, the scope of the study is also provided as women entrepreneurs in Nairobi County, Kenyan.

The rest of the paper is organized as follows. The second chapter reviews literature on women owned enterprises, the concept of growth and factors affecting the growth of women owned business. The third chapter identifies the research design. It also describes the study area, study population and sampling procedures. The chapter also offers a detailed description of key variables of the study. The data collection instruments and procedures are then outlined. Data analysis procedures employed in the study are then discussed. The fourth chapter presents the results and findings of this study. It begins by
providing the general profile of the study respondents. It then describes the patterns of growth in the sampled women owned enterprises. The fifth chapter offers a summary of the study and presents the conclusions and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature from various scholars written in the areas of entrepreneurship, women entrepreneurs, and women entrepreneurs in SMEs, the problems of entrepreneurship and factors that affect the growth of women entrepreneurs. Journal articles, reports and textbooks have been used as sources of literature.

The aim of this chapter is to provide insights into the complex field of women entrepreneurship in order to gain sustainable knowledge essential for the empirical part of this thesis. This chapter will be structured as follows. The first part will review the dependent variable which is the growth of enterprises. Next will be the key factors affecting the growth of women owned business which are economic and social factors. Personal characteristics of the women involved in business will also be reviewed, and finally, the support given to women entrepreneurs.

2.2 Growth of Enterprises

Growth is the very essence of entrepreneurship (Sexton, 1997), making the relationship between growth and entrepreneurship a relevant question in this study. In this study growth means increase in sales turnover, increase in profitability levels, increase in number of employees, production lines, services and total capitalization. Whereas women based enterprises have helped create 462,000 jobs annually in Kenya (Republic of Kenya, 2005), women-owned enterprises in handicraft businesses have recorded low growth rate. The general observation is that there are many women-owned SMEs being created every year but the sizes in terms of sales, profits and capitalization remain small with a majority employing one to two employees. Majority of them do not live to see their second birthday. Further, those businesses that survive have remained small with insignificant growth (Gakure, 2003). However, most studies on women focused on factors influencing the start-ups and few studies have been done on factors influencing growth of handicraft businesses in Nairobi County.
Many women in Africa face constraints related to access to land and property. In many communities, socio-economic factors such as customs, laws and lack of collateral prevent women from owning and/or inheriting land and other property yet for women in the subsistence economy, land means a place both to live and to work,(AACC, 2002). Throughout Kenya's history, women have been subjugated to consistent rights abuses while shouldering an overwhelming amount of responsibilities, Lopez and Zahidi (2005). In terms of resource ownership, women have poor command over land, information and financial resources. Having access to property rights and land is essential for women entrepreneurs because property is used as collateral for business credit. Yet even though women are a major force in agriculture and provide 70 per cent of labour in the sector, they only hold about one per cent of registered land titles, with around 5-6 per cent of registered titles held in joint names. This lack of land and property is a significant barrier for Kenyan business women, (GoK Economic Survey, 2005).

Human Development Report, (2001) indicated that the lingering legal and cultural discrimination, which impedes women's access to property ownership (especially land) and employment opportunities, has contributed immensely to their low status and lack of empowerment. These findings indicate that there is need for integrating gender issues into strategies to improve entrepreneurship among women in Kenya. Gender inequalities often manifest themselves in the form of differential access to resources and opportunities. A number of World Bank studies have shown that gender equality leads to faster economic growth and that inequality, especially in education, leads to lowering of the economic growth rate (Klassen, 1999). The gender disparity in employment and income earning opportunities in Kenya has been attributed to a number of factors, including occupational segregation in the labour market, social attitudes towards women, inadequate capacities in terms of knowledge and skills, and lack of gender sensitive policies and programs. Women represent half the world's population, and gender inequality exists in every nation on the planet. To discriminate and prevent half of humanity from reaching its full potential is economic folly. Denying women and girls equality and fairness not only hurts them, but also hinders the rest of society (Negash, 2006). "The Women”s Economic Forum (2005), recognizes that, the promotion of women’s economic rights which entails promoting a range of women”s rights their sexual and reproductive rights and rights to
education, to mobility, to voice, to ownership and live free from violence as "Key for economic growth, Castelimo and Diop,(2013).

Gender Empowerment Measure (GEM) index; show that women's participation in politics remains very low as evidenced by low representation of women as a whole in various positions in politics and the economy. For successful women's entrepreneurship in Kenya, women's participation in politics, decision making positions, economics and social administration must be improved so that factors inhibiting their participation in MSEs can be clearly isolated and addressed (Human Development Report, 2001). It has been observed, that women were severely underrepresented in managerial and executive positions in organizations (Hewlett and Luce, 2005). There were many possible explanations for the underrepresentation of female managers and executives, including access, discrimination against women the “glass ceiling”, work–family conflict, women themselves choosing not to pursue leadership positions, and fewer opportunities for women engaging in leadership development that promoted their ascendance into leadership roles (Hewlett and Luce, 2005).

Women’s differential access to power and control of resources is central to this discrimination in all institutional spheres, i.e. the household, community, market, and state. Within the household, women and girls can face discrimination in the sharing out of household resources including food, sometimes leading to higher malnutrition and mortality indicators for women. In the labour market, unequal pay, occupational exclusion or segregation into low skill and low paid work limit women’s earnings in comparison to those of men of similar education levels. Women’s lack of representation and voice in decision making bodies in the community and the state perpetuates discrimination, in terms of access to public services, such as schooling and health care or discriminatory laws. The law is assumed to be gender-neutral when in fact it may perpetuate gender discrimination, being a product of a culture with oppressive gender ideologies, Bidsall and Sabot (1991). The assumption that women’s empowerment automatically resulted to engagement in paid employment had been widely contested (John, 2004). Development agencies from around the world rather naively applauded the supposition that income-generating activities challenged the existing household norms and decision-making structures.
John (2004) observed how evidence of enormous work burden stoically born by women was not interpreted as exploitation, but as efficiency by Indian government agencies. There was little emphasis that had been put to understanding the conditions and the structures in which women’s employment and their participation in the job market took place, (Sabin and Annemarie, 2009).

Women in Kenya have statutory citizenship rights, however, „most men are inclined to believe marriage gives them unrestricted right of access to and control of their wives assets NCWID (1993). When women’s reproductive and productive roles are undervalued and men’s assumption of control undermines women’s and their own potential productivity, the result is poverty and divisive conflict (Enterprise in Africa pg. 98). In principle, women are not denied property rights in Kenya. Married women are granted property rights through formal statute law, and the 1882 Married Women's Property Act. The Law of Succession Act gives women inheritance rights Moreover, customary law and exceptions to the Succession Law Act mean that, in practice, women are denied their property rights (Voice of Women Entrepreneurs 2008).

The Constitution of Kenya advocates for inheritance rights to siblings and a sharing of investments on divorce. The Constitution of Kenya, 2010 in Article 27 recognizes that measures should be put in place to encourage affirmative action programmes and policies to address past inequalities. Economic and social rights to all are also recognized in Article 43. These include the right to health care services, adequate housing, and sanitation, adequate food of acceptable quality, clean and safe water and appropriate social security to vulnerable groups in the society, Constitution of Kenya, (2010).

Statistics show that about 80% of the County activities are managed and carried out by women. Unfortunately the reason why rural based development activities have remained low was due to the position that women hold in the family set up and in the community. Although women provide labour and manage development activities, they do not have control of the productive assets such as land and capital. They are, therefore, constrained by lack of authority to control and make decision on the utilization of assets. In many cases property (land) is registered in the name of males, either husband or the first born son. This tradition locks out women from access to credit facilities due to lack of
collateral. This has also tended to propagate poverty in the County especially among the female headed households. Though women have not been participating in development committees, the same is changing with the adoption of the constitution 2010. The government has also recently given directive regarding women employment where they are to get at least 3per cent of the total vacancies in the public service and committees in the County as enshrined in the new constitution. These directives are all aimed at ensuring that women are actively involved in development matters in the County, (Makueni County Integrated Development Plan, 2013).

Women in Kenya are vulnerable to male aggression and violence, neither do they have land rights or rights of inheritance; they also don’t have their own financial independence and yet it is women who bear the burden of care giving, food production, and even the fetching of water. Involvement in successful income-generating activities should translate into greater control and empowerment of women in Kenya. Women are the core of the society and of the economy. If we raise the status of women, we stand a very real chance of improving everything, her life, family and the whole community will be empowered (Women entrepreneurs, 2008).

In the 21st century, women enjoy more freedom and power than ever before. However, they are still disadvantaged when compared to men in virtually all aspects of life. Women are deprived of equal access to education, health care, capital, and decision making powers in the political, social, and business sectors. Whereas men are credited with performing three quarters of all economic activities in developing countries, women actually perform 53 percent of the work, according to the United Nations. The 1995 UN Human Development Report, states that "an estimated $16 trillion in global output was currently 'invisible,' of which $11 trillion was estimated to be produced by women (Negash 2006). In Southeast Asian countries studies indicate that women are still underrepresented in the government and civil services, and face a persistent gap in education and job opportunities. However, there was wide consensus that investment in the economic empowerment of women can and will help reverse these trends. Concerted actions to educate women, give them equal access to credit, and generally empower them, are critical components. Until societies, governments and non-ernmental organizations around the world come together and make a concentrated effort to empower
and grant equality to women, the world was stuck in the past, and human well-being will never truly realize its full, vigorous potential (Negash 2006).

Education is a basic human right and a special tool for achieving the goals of equality development and peace (UN 1995 cited Muia and Otende, 2004). Education is crucial in changing the status of women and improving their empowerment. Two-thirds of the world’s illiterate people are women. In Africa, the high illiteracy rates for women have meant that they are in the lowest paying jobs mostly manual occupations, (Negash 2006). Traditionally, access to education was limited and women’s educational pursuits were often not encouraged. Instead, early in life women were expected to take on the responsibilities of caring and supporting their family for example, taking care of their parents or assisting in earning money to pay for their brother’s school fees. These responsibilities were quite heavy and often denied women important experience and access to strategic information. Women often did not complete higher levels of education because they had children at a young age and needed to earn income to support their children (GoK, 2010).

Education continues to be a key determinant in people’s lives chances including girls and women. Minniti (2007), has observed that quality educational levels empower individuals with sound knowledge to perceive opportunities in their environment. (Schultz, 1980), acknowledged that educational level enables an entrepreneur to deal with equilibrium in the environment, therefore succeeding in his/ her business planned development without the influence of nature. Inadequate educational level constraints individuals from dealing with the complex obstacles faced in life, optimally for wealth creation. Investment in human capital, health and education of women and girls, was presented as a key way forward, as witnessed by MDGs. The logic is that, educated healthy women are more able to engage in productive activities, find formal sector employment, earn higher incomes and enjoy greater returns to schooling than are uneducated, (WEGDG 2003).

In Kenya (UNIDO Document, 2003), women entrepreneurs in rural areas suffer from a lack of training and advisory services that would allow them to upgrade their managerial and technical skills and solve immediate production problems, thus improving productivity and increasing profitability. There was a need for entrepreneurial training to
Socially condition the women, and particularly in rural areas, to develop a desire for achievement. This can be achieved by way of profiling and/or imitating successful women entrepreneurs. Entrepreneurial training is required for processing, manufacturing, livestock and fisheries activities. But such kind of training facility is available in urban areas only. Lack of necessary training and lack of experience seriously affects the efficiency of the rural women entrepreneurs. Lack of training facilities adversely affects the opening of new line of business. Like technical knowledge, the opportunities for entrepreneurial training have increased considerably. But such opportunities are mostly extended to urban areas.

Inequality of access to secondary and higher education persists as does the limited engagement of girls in the study of science, limiting the future lives and employment options of adolescent girls (UNFPA 2012). Studies indicate that, the countries of the Middle East and North Africa region have invested impressively in women’s education in recent years, increasing their productive potential and earning capacity, it is clear from the low ranks of these countries on labour force participation, among the lowest in the world that the region was not benefiting from the potential returns on this investment. Despite having ratified the Beijing Convention for the Elimination of All Forms of Discrimination against Women, most of these nations lack a coherent strategy for empowering women hence improving the future of women in the economy Bradshaw and Diop (2013). A study by Richardson, Hogarth and Finnegan (2004) on women entrepreneurs in Africa reveals that many women entrepreneurs in Africa feel they lack abilities, skills and expertise in certain business matters. They lack exposure in the world of business and their business networks are poorly developed. The women hardly acquire the essential abilities and experiences due to their triple role- work, household and community responsibilities. One of the major problems of women entrepreneurs was lack of business knowledge about accounting and keeping records which consequently affect their operations (Hossain & Rahman, 1999)

As observed in the world economic forum 2005, “countries that do not capitalize on the full potential of one-half of their societies are misallocating their human resources and undermining their competitive potential. Unlike in developed countries, women in the developing world still suffer from serious differences in literacy rates and school
enrolment. In 2001, South Asian women had a relative literacy rate of only 67 per cent of the male literate population. Developing countries lag behind those which are industrialized in access to primary education (Bradshaw, 2013). Considerable evidence has been accumulated supporting the impact of training and developmental experiences in enhancing women participation in development (Richard and Avolio 2005). Evidence for past educational experiences being related to future managerial success was provided by (Bray, Campbell, and Grant (1974), Howard (1986). Spivak (1999) argued that if micro-credits were remitted to women without structural investments such as education and health systems for the poor, the exploitation of women will only increase. (Njeru and Njoka, 1998; Mutuku et al., 2006) acknowledged that there was a need for entrepreneurial training to socially condition the youth, and particularly girls, to develop a desire for achievement. This can be achieved by way of profiling and/or imitating successful women entrepreneurs. Other constraints and barriers to women entrepreneurs include a poor social background, inadequate and inappropriate training and preparation for entry into MSEs, and socio-economic discrimination. Education and training of women was recognized as a Human Right in the Beijing Platform of Action. The Platform for Action went further to call for measures aimed at eradicating illiteracy among women and at improving women’s access to vocational training.

The reality in most African countries was that female literacy rates are lower than those of males. In most of Sub-Saharan Africa, girls’ school enrollment rates are only a third of that of their male counterparts and, in many cases, drop-out rates are much higher among girls than among boys, AACC (2002) Many SMEs owners or managers lack managerial training and experience. They develop their own approach to management, through a process of trial and error. As a result, their management style is likely to be more intuitive than analytical, more concerned with day-to-day operations than long-term issues, and more opportunistic than strategic in its concept. It is further acknowledged that, majority of those who run SMEs are ordinary lot whose educational background was lacking. Hence they may not be well equipped to carry out managerial routines for their enterprises, Hill (1987).
Education and skills are needed to run micro and small enterprises. Research shows that majority of the lot carrying out micro and small enterprises in Kenya are not quite well equipped in terms of education and skills. Study suggests that those with more education and training are more likely to be successful in the SME sector. As such, for small businesses to do well in Kenya, people need to be well informed in terms of skills and management. SMEs in ICT appear to be doing well with the sprouting of many commercial colleges offering various computer applications. Further, studies show that most of those running SMEs in this sector have at least attained college level education (Wanjohi and Mugure, 2008).

Education equips women with the knowledge and skills they need to more effectively manage and succeed in their businesses. Research shows that the level of formal entrepreneurial activity among women increases as their education rises, and there was a major jump in business ownership among those who go beyond secondary education. Research also shows a strong correlation between a woman's belief in having the knowledge, skills, and experience to start a formal business, and her likelihood of starting it. Women entrepreneurs confirm this finding. Lower education levels put Kenyan women entrepreneurs at a disadvantage compared to men. While the gender gap in primary education in Kenya has decreased in recent years, the gap remains high at secondary and tertiary education levels. Women are much less likely to enroll in public universities, national polytechnics, and technical institutes, accounting for only about 39 percent of those enrolled in tertiary education. Lower education and a curriculum that does not emphasize entrepreneurship skills decrease the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country's overall economic growth (Voice of Women Entrepreneurs 2008).

Almaz Negash (2006), on Women Economic Empowerment acknowledges that, female economic power will enhance the "wealth and well-being of nations." Women who control their own income tend to have fewer children, and fertility rates have shown to be inversely related to national income growth. Women are also abler and generally more willing than male counterparts to send daughters as well as sons to school, even when they earn less than men. In turn, a woman's level of education affects her decision-making process when it comes to questions about contraception, age of marriage, fertility, child
mortality, modern sector employment and earnings. Even when women do manage to obtain financing for their businesses, lack of skills and training in handling finances can be an obstacle). By empowering women financially, we strengthen women’s voices and bargaining power within the home, the wider community and nation at large.

2.2.3 Factors that Hinders the Growth of Businesses

There are many challenges faced by SMEs, such as limited input and the relevant technology required for production (Brusco and Righi 1989). The production stage of small business is usually faced with challenges due to limited access to finance, despite there being many financial institutions. This is because of the many requirements put by this institution many of which are easy to meet for small enterprises. The Kenya Industrial Estates requires that all small businesses be in a registered group or association which makes it easier for them to access loans. This has brought the emergence of ‘chamas’ many of which have made it easier for entrepreneurs to access loans. This groups have even grown to form SACCOs that bring more capital for the businesses. Many however are still not members of these groups and so the challenge of access to finance still persist (Kirimi, 1988).

It is fundamental to identify the sector that one operates in order to determine the critical success factors. Some of these factors include how a customer receives after sale services, distribution and marketing, financial access, human capital management, technical know-how and the use of technology and production, while Thompson and Strickland (1993) states technology, production, marketing, distribution, cooperation ability and organisational skills. Badri (1995) looked at two sectors in the United Arab Emirates, service and manufacturing companies. Both showed similar factors that are crucial to success such as how well the staff are trained, how services and products are designed, the quality of management, and good relationship between staff members (Badri & Davis, 1995).

The private sector development strategy in Kenya was designed in order to aid in addressing the major challenges faced by informal and formal sectors. This constraint includes factors such as poor infrastructure, corruption, high and numerous taxes that
affect low earners and poor tax administration, high crime rate and insecurity, and access to financial services, as well as limited access to markets, credit and skilled laborers especially those willing to run small enterprises (Ministry of Trade and Industry, 2006). In determining the critical success factors in the success of enterprises, it is important to note that entrepreneurship is environmentally determined and that the external environment and demographic factors affect the success of social enterprises (Gratner, 1989).

2.3 Socio-Economic Factors Affecting the Growth of Women-Owned Business

Even though entrepreneurship has its own advantages, it is not free of problems. For this there are a number of factors. Samiti (2006) and Tan (2000) classified the basic factors that affect women entrepreneurs into two broad categories – economic and social. The economic factors that this study focused on include; lack of education and experience, lack of capital or finance, lack of marketing knowledge or experience and lack of business training. On the other hand the social factors included; family issue, lack of social acceptability and relations with the work force. Besides this, Gemechis (2007), Hisrich (2005), ILO (2009) added social and cultural attitude towards youth entrepreneurship which are; entrepreneurship education; administrative and regulatory framework; and business assistance and support; barriers to access technology are crucial factors that affect entrepreneurial success.

2.3.1 Economic Factors

Economic factors are factors that could potentially impact the capital costs and purchasing power of a business. The economic factors that this study focused on include; education background and experience in business management, lack of capital or finance, lack of marketing knowledge or experience and lack of business training.

2.3.1.1 Education Background

Educational level in this study is a representation of the years of higher education a person obtained after secondary school (Robinson & Sexton, 1994, p. 146). To launch a successful business venture, relevant knowledge is a requirement. Appropriate education is a necessity for bringing up the right perception and intention about entrepreneurship.
Allen and Truman (1993) noted the existence of variances in the levels of education of entrepreneurs between developed and developing economies. In developed economies, levels of educational of the entrepreneurs are relatively high and the number of entrepreneurs without tertiary education is much lower, whilst in the developing world, entrepreneurs are often without adequate education and training base.

Some research studies have attempted to study the relationship between education and entrepreneurial success. Most studies indicate that education has positive effect on women entrepreneurship (Bjerke, 2007: 86). Thus, the understanding and knowledge of this concept is crucial for this study on women’s entrepreneurship to provide a rich background and insight into the entrepreneurial phenomenon.

Researchers on entrepreneurship use theories to explain the role education and training play in the performance and growth of enterprises. Roomi, Harrison and Beaumont-Kerridge (2009), Grizzell, (2003) used motivation theory to explain that human needs can be shaped by training and that social and psychological motive significantly influence growth seeking behavior.

Lower education levels puts women entrepreneurs in Kenya at a disadvantage compared to men. While gender gap in primary education in Kenya has decreased in recent years, the gap remains high at secondary and tertiary education levels. Lower education does not emphasize entrepreneurship skills. It decreases the chances that women will have the knowledge needed to excel in business, and thereby contribute to the country’s overall economic growth. In education, preference is given to boys, thus the educational level of most women entrepreneurs is very low, creating a barrier to them accessing training and other business development services (Women entrepreneurs in Kenya, 2008). In addition, women are usually less educated than men, making them less well equipped to manage a business (Common wealth secretariat, 2002). Namusonge (2006) noted that entrepreneurial education and training play a key role in stimulating entrepreneurship and self-employment. Despite the presence of business development services in Kenya not many women entrepreneurs use it because of cost, access, necessity, or availability (Steven etal 2005).
Cliff (1998) revealed that, women business owners were less likely to have degrees in business than men. Fabowale et al. (1995) suggest that this lack of business education may cause a red flag associated with women owned businesses. Technology and entrepreneurship education go hand in hand. Technology is more than information technology, this technology is most widely associated with the new entrepreneurial society. Information technology can be referred to as an infrastructure and knowledge necessary to make information quickly and easily accessible (Bjerke 2007).

With that in mind, women entrepreneurs were found to have difficulties accessing information related to technology and the economy. To ensure competitiveness and survival of the businesses, latest trends in technology and new information relating to the economy is essential. Women entrepreneurs are not able to access this information perhaps due to limitation of time and or specialist skills. Limited access to appropriate technologies and lack of technical know-how have also been established as major obstacles facing women entrepreneurs in the small and medium sector in many developing countries (Baume 2000: Steel and Webster 1990).

Creating educational tactics for improving technical skills is fundamental for entrepreneurial growth (Barwa, 2003). Technology, education, and training issues are tightly interwoven and can prevent women entrepreneurs from reaching their business growth (McCormick, 2001).

Based on these authors’ elucidations, it is clear that many women entrepreneurs lack training and education, which creates problems for women in the running and growing of business enterprises.

2.3.1.2 Experience in Business Management

Experience in this study is the knowledge required to run a business. The process of entrepreneurship that is, from perception of opportunities to the implementation of launching a business is dependent on the relevant experience. In agreement, Kuratko and Hodgetts (1998:521) concluded that one major challenge facing women starting new
businesses is the lack of experience and lack of management skills prior to starting a business.

There is a close relationship between business experience and growth of the business. Persons with more experience have a higher probability of discovering opportunities and are in a better position to exploit them. However, the rewards for taking the initiative and establishing a new venture may be inconsequential unless there is substantial value in the business opportunity. When this is the case, individuals with several other career options may not be inclined to pursue the business venture. This means that even though highly educated and skilled women have the potential of perceiving and exploiting business opportunities, incentives for doing so may be little if the potential value of the business prospect is significant.

Research has shown that lack of business knowledge affect women businesses. Women tend not to have much if any work experience related to the area in which they set-up their businesses, while the opposite tends to be observed for men (Peterman, 2003). This has a negative impact on start-up of women owned business. Carter (2003) identifies a problem in the relationship between women entrepreneurs and their employees.

Managing employees is another challenge that women entrepreneurs in Kenya face. Finding and retaining good employees is essential for the success of a business, but can be difficult for women entrepreneurs in Kenya. Since women owned businesses tend to be smaller, they are often less likely to provide job security and retain good talent. Some women find that they are not taken seriously by their employees and have to make a special effort to win their respect (Athanne, 2011).

Women often lack access to training and experience on how to participate in the market place and are therefore unable to market goods and services strategically. Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market, and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big
deterrent and obstacle for many SMEs and women-owned businesses in particular. Women may also fear or face prejudice or sexual harassment, and may be restricted in their ability to travel to make contacts (UNECE, 2004).

2.3.1.3 Access to Finance

Finances in this study is the resources required to start and grow a business. The entrepreneurial process is dependent on resources. Financial capital is crucial to the establishment and growth of a business. Access to finance is a recurring research topic in entrepreneurship literature, and is considered as the leading obstacle facing women entrepreneurs (Brush (1992); Hisrich et al (1999:123); Van Steel and Thurik (2004:14); Kantor (2001:6-7); OECD 1997; O’Neill et al (2001:39)). These studies have established that most of the women entrepreneurs face difficulties when it comes to obtaining adequate capital and at affordable rates to start new ventures or to grow their business. In this context of finance for women entrepreneurs, many researchers identified other problems with regards to financing which include the following:

First of all, the collateral needed to borrow capital from external sources exceeds the wealth scope of most women. Women have significantly less personal tangible and intangible assets in comparison to men. This implies that since women have less capital, they must seek extra resources compared to men in order to pursue a business opportunity. Carter (2003) states that women may be disadvantaged in their ability to raise start-up finance and the guarantee required for external financing may be beyond the scope of most women’s personal assets. In addition, credit track record, finance for the ongoing business may be less available for female owned firms than it is for male enterprises. This is largely due to women’s inability to penetrate informal financial networks and female entrepreneur’s relationships with bankers may suffer because of sexual stereotyping and discrimination (p. 37).

Kenya generally has several sources of financing enterprises, ranging from government to banks and micro-finance institutions but for women in micro enterprises access is limited. Stevenson and St- Onge (2005) observe that the more formal the financing mechanism,
the fewer the number of women accessing them because of lack of collateral which limits them to savings or micro credit.

Secondly, women are underprivileged when it comes to the ability to raise capital to start and grow a business. The importance of access to credit is identified as a major barrier to entry into self-employment throughout the world. All women encounter varying degrees of difficulty in obtaining capital, collateral, and fair lending terms. In fact, according to a study by Buttner and Moore (1993), 41% of entrepreneurs report that lack of money is the greatest obstacle to starting a business, and 47% cite lack of capital as the greatest barrier to business growth.

Research has established that women businesses are smaller in size, have dramatically lower profits and take-home pay compared to men’s (Hisrich and Brush, 1997). One study of women’s businesses reported general “disappointment” that women business owners face the same sort of pay gap as salaried female workers, possibly related to the type of businesses women initiate, their reported difficulties in securing bank financing, and the lower fees-for-service that women are able to command (Candida, 2006).

Thirdly, due to limited penetration into financial networks, finance for an operating business might be less available for women entrepreneurs. Business may receive finances from internal or external sources for startup and expansion of operations. Internal sources are savings and retained profits while external sources are lending agencies e.g. banks, friends, microfinance institutions, government and non-governmental organizations. For women in micro enterprises, both sources are awkward because of lack of sufficient savings and absence of lending institutions. Lack of external credit leaves many micro entrepreneurs with inadequate family savings as the only recourse. Under resourced business do not expand or make big profit margins as profit and capital base are relatively proportional. Geroski et el (1997) hypothesized that there is a positive relationship between growth and financial capital.

According to the 1999 SME survey, both formal and informal financial assistance are received by the SME operators. However the survey noted that the bulk of the SME credit
(69.1%) came from informal savings and credit associations, otherwise known as Rotating Savings and Credit Associations (ROSCAS). This was in line with the findings that only 4% of accessed credit obtained is from formal financial channels such as NGOs micro finance schemes commercial banks and SACCOS. At the same time there are 150 organizations with credit programmes for SME in Kenya of which 130 are NGOs. The fact that there are many formal organizations providing credit and only 4% of SMEs credit is from them implies a gap exists in their effectiveness.

Loans from Kenyan microfinance institutions tend to be limited in amount, have no grace period, are short term in design and carry very high interest rates. Consequently, most women entrepreneurs are likely to have multiple short-term loans to cater for both businesses and social needs. Studies have shown that loans to SME entrepreneurs only satisfy a fraction of their financial needs (Women Entrepreneurs in Kenya, 2008).

Finally, gender stereotyping and sexual discrimination of women affects the relationships between women and financial institutions. Some studies in the 1980’s began to report unique barriers confronting women business owners. Most significant for business viability included discrimination experienced by women seeking venture capital and exclusion from financial business networks (Hisrich and Brush, 1997). In the 1990’s women business owners apparently continued to confront significant gender-related obstacles (Pelham, 2000) including limited access to capital, difficulty in competing for government contracts, and lack of information about where to get assistance (NFWBO, 1992). Women reported that they had to work harder to prove their competence to suppliers and clients and to be taken seriously (Athanne, 2011). Women still report struggling with others’ (banks, government, suppliers and competitors) diminishment of the significance of their enterprise: the “little business” syndrome (Cheston, 2002). However, despite their stories of gender discrimination, many individual women interviewed by Cheston (2002) claimed that their obstacles are simply the challenges of small business shared by all business owners.

Even when women entrepreneurs do approach banks for financing, they tend to face discrimination. Women report that bank officials tend to ignore them in meetings and
prefer speaking to their husbands or male business partners. The fact that banks engage in gender bias prevents many women from even approaching them. Some women get so discouraged that they do not bother to seek bank financing and turn instead to informal savings groups. Palich (2006) adds that the women’s major problem during the start-up is the credit discrimination. A woman is not allowed to open a bank account or own land without her husband’s or father cosignatory. Although inheritance laws in Kenya were revised with the succession Act of 1981, women have rarely inherited land and other property in their own right. This means that they lack title deeds which are still the most commonly used form of security for borrowing money. Women own only 1 percent of Kenya’s land 5-6 % is held under joint names usually with husband (World Bank, 2004). This calls for further research to establish why women entrepreneurs often have difficult gaining access to loans (Dawson, 1997; ILO, 1999; and World Bank, 2004). Here we reviewed the economic factors that this study focused on which included; education background, experience in business management, lack of capital or finance, lack of marketing knowledge or experience and lack of business training.

2.3.2 Social Factors

Social factors in this study is defined as a sum of the actual and potential resources embedded within, available through, and derived from, the network of relationships possessed by an individual”. Entrepreneurship and social factors are closely interwoven since business start-up initiatives are influenced by advice and help from family, friends, neighbours, relatives or colleagues (Begley and Tan, 2001; Carter et al., 2003; Coleman, 2000).

2.3.2.1 Balancing Family Responsibility with Business

The problem of combining the businesses with family responsibility is another factor that affects the growth of women owned businesses. The dual role causes stress to women entrepreneurs. This refers to the anxieties that women business owners have regarding balancing work and family commitments. Universally, family responsibility falls largely on women, and this can occur even when women are involved in entrepreneurship. This results to allocation of time between family and business, leading to lesser chances of entrepreneurial success or general career advancement (Brush1997). In attempting to cope with both commercial and domestic work, women experience ‘time poverty’ which
leads to greater stress and difficulty (Still 1997). This can be overwhelming and quite stressful and end up affecting the performance and growth of their businesses as well as the well-being of the women themselves.

Ylínepaa and Chechurina (2000) noted that this ‘double burden’ that women bear performing both business and reproductive roles is also a typical feature of women in western economies. Also, a study by Belcourt et al. (1991) concluded that women being the main caregivers to children and their responsibility for management of the household, when added to the role of entrepreneur and business woman meant ‘role overload’, a problem that their male counterparts hardly encountered.

Carter and Allen (2003) argue that the growth of a business will be linked to the manner in which its owner chooses to balance home and work. Indeed, if the emphasis is put on their family life, businesses are likely to remain small (Barwa, 2003). It is therefore argued that most women’s businesses tend to remain small because the women continue to take full responsibility for the reconciliation of paid work and household labor, including housework, childcare and care of adult dependents (Cheston, 2002).

Informed by sociological perspectives, researchers such as Rosa and Daphne (1998) have explored these connections by pushing the family to the forefront of the analysis. While the business-home nexus had been explored in earlier analyses, specifically from the perspective of role-conflict (Pelham, 2000). In addition, contribution of spouses (McCormick, 2001), this new strand of the research draws on qualitative and contextual case study data to tease out the exact dimensions and processes of the interaction. A rather different strand of the family women’s business literature has focused on copreneurial marital partners who own and manage a small business together (Pelham, 2000). While focusing on similar issues such as work-home boundaries and the persistence of traditional gender roles, this strand highlights the inherent difficulties in precisely defining women’s involvement in enterprise. The predominance of family ownership within the SME sector makes it impossible to precisely delineate the extent of women’s involvement in enterprise and differentiate gender-based management styles and processes.
Work-family conflict results from inter-role conflict caused by incompatible or conflicting pressures from work and family domains, including job-family role strain, work-family interference, and work-non work role conflict (Morris, 1999). Women are more likely to have primary domestic responsibility and to have interrupted careers, which create work-family conflict. Seeking balance in work and family has been established as a significant factor in women’s decision to start a business, although women business owners still appear to experience much greater conflict than men in managing family and work life (Heffernan, 2003).

Ahmad et al (2011) adds that women are overloaded with business and family responsibilities and may not have the time to join beneficial associations and this automatically limits the women entrepreneurs’ wings of exploration. The Common Wealth Secretariat (2002) adds that when business training is available, women may not be able to take advantage of it because it is held at a time when they are looking after their family. Comparative studies show that women start business at an older age than men, when they have had the family and children (Zororo 2011, Green and Cohen 1995). This becomes a great challenge.

Another issue with regards to balancing family responsibility with business revolve around the finances. Most micro-enterprise financial resources are not usually isolated from personal finances and hence these family obligations are met from resources earned in the business. Their demands tend to drain the savings and income made by the business, since such finances would otherwise have been used in the enterprise for expansion and growth. Though some of them do assist in providing services in the enterprise (or in the family), the financial obligations in supporting them usually exceeds the services they provide.

Women entrepreneurs appear not to be driven by profits but rather, by the need to provide for their families. They see enterprises as a means of setting them free from ‘begging’ from their spouses’ money for the basic necessities of their families – food, clothing and health. What they earn is totally spent for the benefit of the entire family. This leads to other factors such as cultural constrain as a social factor.
2.3.2.2 Cultural Constraints

In this study cultural constraints means women are considered as subordinate to men, possess less power and they lack the opportunity to access resources. Throughout the globe, women are considered as the weaker gender both physically and emotionally. Therefore, available prospects for the women to develop into business professionals are still quite unexplored and this area needs more attention (Wennekers 1999).

Crampton and Mishra (1999) cite that “the constraints imposed upon the women by society, the family, and women themselves pose as a major obstacle to women entrepreneurs”. The authors further note that in societies where women are not accepted as powerful and influential business leaders, this poses unacceptance as a major obstacle to these women (Crampton and Mishra 1999).

Women are subordinate to men, possess less power and they lack the opportunity to access resources. Relationships between men and women in the family, workplaces and in public circles are reflections of how the society perceives what is proper female and male characteristics and behavior. Growe et al (2001) find that society’s perceptions and attitudes towards proper male and female roles is in itself an obstacle that brands women as not task-oriented enough and lacking independence. Hisrich & Brush (1986), noted that women feel discriminated against because they are not always “taken seriously” in the business world.

Prevailing social and cultural gender based inequalities and biases weigh heavily against women (Barwa, 2003). According to Uzzi (1997) knowledge and resources are culturally embedded and influences availability of resource and exploitation of potentials of women entrepreneurship. Ayarudai, (2003) argues that women entrepreneurs in Kenya put up with lack of confidence, lack of strong individual involvement and unwillingness to take risks. Women’s weak social position and particularly in Kenya is exacerbated by lack of role model in entrepreneurship, poverty and illiteracy that increase invisibility and marginalization of their enterprises. The presence of biased cultural practices among communities retards women aspirations and fulfillment of their social and economic life.
Further, a woman's decision to become an entrepreneur is less individually-based and more dependent on decisions and actions embedded in the societal system surrounding her. Inclusion in the planning process leads to a perception of the seriousness of the venture which leads to the support and mentorship which leads to success for women owned businesses. Inclusion and mentorship should naturally follow the changes in societal factors that have also created wider acceptance of the proposition that women will have careers as business owners (Brush, 2006).

According to (UNDP, 1996), two changes have occurred over the past 10 years in enabling environment for women in the economy. One is the establishment of legal equality for women and the other is granting women equal access to education and training. Women entrepreneurs are significantly affecting the global economy.

Over the years, a number of theories have been used to explain the impact of socio-cultural environment of entrepreneurial emergence. The theories tried to explain the social and cultural characteristics which cause people to be or not to be entrepreneurs. The earliest theory on the influence of socio-cultural environment on entrepreneurship was that of Max Weber. In his theory, Weber explained that society plays a big role in developing entrepreneurs. This is because the individual draws his values from the social values, morals and institutional framework within which he lives (Van de Ven, 1993). He argues that culture has great impact on the attitude and behavior of individuals and their disposition to life. And indeed, whether or not an individual would develop and become an entrepreneur would depend on his disposition and value orientation.

There is a general lack of an entrepreneurial culture in Kenya, more particularly, for potential and operating women owner/managers of SMEs. Njeru and Njoka, (1998) pointed out that due to patriarchal social authority structures, women received substantial family support in the start-up stages of their businesses, but later on such support is limited, restricted or withdrawn for fear of husbands losing dominance over their wives. Moreover, there are many socio-cultural factors in Kenya impacting negatively on the upbringing of girls. Many ethnic cultures socially condition girls to acquire the need for affiliation, rather than achievement. Other studies carried out in Kenya have attributed the lack of entrepreneurial culture among Kenyan women to: lack of confidence and self-
belief; lack of a variety of strong and relevant networks; passive learning methods; and, starting up enterprises without adequate prior preparation (Kibas, 2006). This scenario is not different from women entrepreneurs in Nairobi County.

In the review, there has been socioeconomic factors which affect the growth of women owns enterprises in Kenya. The economic factors that this study focused on include; education background and experience in business management, lack of capital or finance, lack of marketing knowledge or experience and lack of business training while the social factors included the difficulty in combining the businesses with family responsibility and cultural constraints in which women are considered as subordinate to men.

2.4 Personal Characteristics of the Women Entrepreneurs

In this study personal characteristics of the women are understood as the key personal and organizational features of women entrepreneurs in business. Entrepreneurship always involves some level of risk taking. For women, gender stereotyped perception of self, lack of confidence and assertiveness appear to be major barriers. The fear of risk or to take risk is a big hindrance. The status of women in a patriarchal social structure makes women dependent on males in their lives who are either husbands or fathers and family resistance is a major disincentive to business start-up. Other close male family members often make decisions for women hence going against the independent spirit of entrepreneurship.

According to Brush (1990), individual motivations and goals such as profitability, revenues and sales growth have been found to be related to performance in women owned businesses, albeit their tendency to perform less well than their male counterparts (Fisher et al., 1993). In Malaysia, Nordin’s study (2005) revealed that the psychological motives such as self-satisfaction and the search for independence and supportive environmental factors such as the industry sector and source of finance affect women entrepreneurs from Terengganu in exerting themselves into businesses.

The individual characteristics focus on the influence of resources, in particular the level of education, occupation of parents, age, managerial skill, previous entrepreneurial experience and industry experience levels affecting entrepreneurial firm performance.
Age and years of formal education have been shown to correlate positively with the business performance of women entrepreneurs. Dolinski et al. (1993) reckon that less educated women may face financial or human capital constraints which limit their business pursuits. At the same time, managerial skills and particular strengths in generating ideas and dealing with people were important for a woman entrepreneur in establishing a business (Birley & Norburn, 1987; Brush & Hisrich, 1991; Hisrich & Brush, 1984; Hoad & Rosko, 1964). In addition, Hassan and Mugambi (2013) found that in comparison to men, women have higher willingness to accept change and greater need for autonomy while having lower energy levels and risk-taking propensities.

2.4.1 Innovation

Whilst micro-enterprises are very often the source of innovation, they are also especially vulnerable to competition from counterparts who introduce new products or services, or improve their production processes, lacking the resources to respond rapidly. Competition (markets) and information related factors, are said to be major challenges. Competition is seen in form of the size of market share in the rural setting. Most of these markets are not expanding and new competitors such as mini-super markets with wide varieties of products for those who were engaged in selling household products are emerging. To Jaiyeba (2010) this could be caused by lack of marketing skills. The leadership style of women business owners has received attention in various studies (Moore and Buttner, 1997) showing parallels to studies of women’s executive leadership in corporations. Management studies have declared that women attend more to process than to “bottom line”: they are concerned with how their actions affect others; appreciate diversity, and stress teamwork and the interpersonal. Women leaders supposedly tend to emphasize democratic participation by all, using multi-directional “power-with” authority to energize others to actively participate. Women leaders have also been characterized as showing passionate commitment to collective action and to change (Rosa and Daphne, 1994).

Similar patterns appear in studies of women’s leadership as small business owners. World Bank (2001) shows women business owners to be highly motivated by community needs, and to favor collaborative management approaches. Another US study asserts that women-owned companies are more likely to be “family friendly”, offering flextime and
job-sharing benefits (NFWBO, 1999). Moore and Buttner (1997) identify among women entrepreneurs an “interactive” leadership style that integrates transformational, role model/visionary, and web approaches to leadership. The interactive style demonstrates greater concern for staff welfare; pays less attention to formal power and more to personal power; and believes in the importance of empowering staff.

However, in small business ownership, women leaders must balance many roles: strategic planner, accountant, marketer, product developer, human resource manager, to name a few. As Brush (1999) points out, Moore and Buttner’s (1997) emphasis on the effectiveness of transformational leadership is not clearly operationalized or measured. Desires to nurture staff often conflict with needs to please customers and survive, according to the findings of Thrasher and Smid (1998). Leadership oriented to a vision of collaboration must somehow be reconciled with issues of authority, control, and competitiveness, forcing many women business owners to navigate between competing values and expectations.

2.4.2 Negotiation skills
Buttner (2001) reports that the management styles of women entrepreneurs was best described using relational dimensions such as mutual empowering, collaboration, sharing of information, empathy and nurturing. Importantly, these dimensions, which have also been associated with women in different professional occupations, were deemed to be associated with firm performance. Women do work differently from men. According to Heffernan (2003), female negotiating styles have been shown to be different and it has been demonstrated that they are significantly more beneficial to long term business success. The most recent study that explored a genetic basis for special attributes of women in social ability and empathy imply a better performance of companies created and run by women because of their ability to communicate better with employees, suppliers and customers (Valencia, 2006).

Concerning women entrepreneurs and risk, Brush (1992, p. 12) refers to the works of Sexton and Bowman (1990) who identify gender-based differences concerning risk. The conclusion drawn by their studies is that women entrepreneurs have a “lower risk-taking propensity” compared to their male counterparts.
2.5. The Influence of Support on the Growth of Women Entrepreneurs

Support in this study is the assistance given to women entrepreneurs to grow their business. The support that the study looked at encompasses, network support, support agencies, government support and family. Support Networks play a multifaceted role for women entrepreneurship and business owners in general, by helping them access advice, form partnerships, and build value chain relationships which are highly essential for the growth of their businesses (GEM 2010).

2.5.1 Networks

Research on the growth of women enterprises suggests very strongly the establishment of networks as a critical need factor (Davis and Long, 1999). Consequently, women entrepreneurs with high growth resources tend to use more formal social networks (Kickul, et al. 2007). Kamau et, al, (1999) share similar views that the presence of good working relationships with customers, financiers and other constituents to the business has been effective strategies.

During the early stages of enterprise development, entrepreneurs depend heavily on informal networks comprised mainly of friends and family members. As the business grows, they rely more and more on professional networks made up of accountants, financial advisors, lawyers, consultants, suppliers, government agencies, etc. to have access to vital business information (Birley et al., 1991). Evidence exists that indicates that women have less involvement in networks compared to men and that the nature of their network is quite different (GEM, 2010). Aldrich & Zimmer (1986) observe that it is vital for businesses to have weak networks and strong-ties.

The functional role of networks is information provision, possibilities and support (Granovetter, 1985). Networks play an important role in influencing the entrepreneurial process such as opportunity recognition, resource mobilization or the creation of an organization and in getting results, such as the formation of a new venture or activities such as going public, acquisitions, mergers or alliances (Bjerke, 2007). Information
networks that are effective enhance the entrepreneur’s environment and enrich the other processes and networks that the entrepreneur engages in (McAdam and McGowan, 2003).

Ramachandran & Rammarayan (1993), noted that social networks offer diverse valuable resources for both the would-be and entrepreneurs in operation. Resources such as business experience, expertise, encouragement, support, sources of funding and idea generation can be accessed through networks. In addition, networks are also used as platforms to test new ideas and as a medium through which entrepreneurs can gain access to resources to exploit discovered opportunities (Aldrich and Zimmer, 1986).

Research has established the significance of the support of nascent entrepreneurs gained through role models and close relationships with people within the business community (Hansen, 1995; Matthews & Moser, 1995). Through case studies, research has attempted to define the role of networks in the process of new venture creation (Hansen, 1995; Larson et al., 1993).

In business, networks are very important for enterprise development. The central tenet of networking according to Zuwarimwe and Kirsten (2010) is to serve as a conduit for information, while Tata and Prasad (n.d) claim social networks or networking provides resources and other economic opportunities at below market level. In addition, Sabatini (2006) recognizes social network as the “lubricant” and “glue” that provide a bridge between the economy and society.

2.5.2 Social Capital

Regarding social capital, some previous studies found that women network differently from men. For example, women tended to have smaller networks (Aldrich, 1989) although the process of creating a network was found to be similar for women and men. Aldrich (1989) found that men were seldom included in the personal networks of women.

However, a more recent study of networking has concluded that women are as active as men entrepreneurs in networking to obtain assistance, and as successful as men in obtaining high-quality assistance including resources (Athanne, 2011). By contrast, Moore and Buttner (1997) conclude that women use networks primarily for sounding
boards rather than resource acquisition. One problem here is the lack of contextualization in findings. How women create and use networks could reasonably presume to be connected with their environments and their business size, nature, and purpose. For example, Rosa and Daphne (1994) found significant differences between personal networks of new firm owner/managers and those of more mature firms, and show strong relationships between environmental uncertainty and networking activity and intensity. Cheston (2002) has shown the importance of analyzing relationships between personal networks and labor market inequalities to better understand how which individuals develop aspirations, access resources and build support for an enterprise. Brush (1999) suggests that network rely on business needs, which vary according to size, scope and sector.

Lack of support from networks and business support agencies was found to be a great difficulty (McCormick, 2001). Women entrepreneurs were largely found not to be targeted by such organizations (Moore and Buttner, 1997), to the extent that Rees reports that for instance that one prominent business club in central Cardiff, a meeting place of senior private and public sector figures in Wales, refuses to allow women to join. There are women networks that require a reasonable number of women that are in top positions in their organization in question and are willing to offer support to women working their way up the ladder behind them (The SIA group, 2001). A study of Canadian women business owners concluded that they worked in a “glass box”: isolated by overload; they had not the necessary time to cultivate or use important support networks (ILO, 2007). It is agreed in the available literature that not only was business networking a key element for the growth of women’s owned businesses, but also that women as a group had different needs than their male counterparts (Cheston, 2002).

### 2.5.3 Government Support

Concerning government support and growth of women owned business, government support will play a big role in the growth of businesses owned by women in Kenya. According to GoK (1994), to ensure growth of SMEs the government would intensify its efforts to acquire supplementary soft loans for on-lending to financial institutions for lending to the small scale. GoK (1996) identified these as access to credit, access to land
and infrastructure, access to training & technical support, and access to technology and information.

Cognizant of the formal funding problem, the government of Kenya established the Women Enterprise Fund (WEF) in 2007. The objective of the Fund was to provide alternative financial services to women who are excluded from formal and informal financial services (Women Enterprise Fund, 2007). A baseline survey by the National Commission on Gender and Development in March 2010 reveals that the Fund impacted positively on the lives of women. The finding shows improved income, enhanced and diversified businesses, increased access to other markets, ability to make independent decision, access to extension services and impact on other stakeholders (community and economy). WEF discovery therefore supports the argument that access to financial resources is essential to enterprise growth.

Women Enterprise Fund loans reach the target beneficiaries through both partner financial intermediaries and directly through Constituency Women Enterprise Scheme (C-WES). This fund is aimed to enable the government realize the 3rd Millennium Development Goal (MDG) on “gender equality and empowerment of women”. In recognition of the critical role women play in socio-economic development, the WEF has been identified as a flagship project under the social pillar in the Vision 2030. It is expected that the fund will play acatalectic role in mainstreaming women in the formal financial services sector. Despite the importance of credit and financial services in business start-up and development, uptake of funds disbursed from the women enterprise fund is currently generally low. More than Sh300 million allocated to the Women Enterprise Fund to be taken as loans is sitting idle in constituency and microfinance institution vaults. Out of Sh1.5 billion allocated to the fund since its inception in 2009, only Sh1.15 billion has been lent to business women, leaving over 23 per cent unutilized. The constituency channel of disbursement shows worse performance as over 33 per cent of funds have not reached the target, because out of the Sh465 million allocated, only Sh308 million has been loaned out.

Women entrepreneurs in Kenya have difficulties when assessing justice. Access to justice is essential for ensuring, smooth business operations, and it spans issues such as enforcing
contracts and employment disputes. Using the formal courts in Kenya can be costly, complex and time consuming for entrepreneurs. For women who are burdened with their multiple responsibilities in the household and at work and who do not have the know-how to navigate the government process, dealing with the complicated and often corrupt bureaucracy is another challenge, Athanne (2011). The Common Wealth Secretariat (2002) records that women often have few or no contacts in the bureaucracy, and there may be a bias against women’s businesses. Women have little representation on policy – making bodies, partly because they tend not to belong to or reach leadership positions in mainstream business organizations.

2.5.4 Role Models and Mentors
Role models and mentors played a key role in carving out paths for women entrepreneurs to follow. As revealed in interviews and discussions, some role models were historic figures or fictional characters who overcame adversity; more often they were admired and respected members of NGOs. Mentors included businessmen and women, family members, women with a high public profile, and an occasional consultant (Candida 2006). Women are changing the conventional role of mentoring at a time when the practice is enjoying a rebirth (Charney and Libecap, 2000). Mentors often view mentoring as a responsibility, a way of ensuring entry for the next generation of women. Association members, community trainers, and foreign consultants are acting as role models by instructing women, not only on the technical issues of starting a business, but also by modeling professional behavior and demonstrating how to broaden one’s outlook. Within women’s business associations, business management, economic empowerment, and advocacy techniques combined with the more humanistic skills of fostering mutual respect, improving ethical standards, and improving health in order to equip female entrepreneurs to succeed in a competitive business environment.

2.5.5 Environmental factors
From the environmental perspective, family influence, particularly parental influence has been found as the antecedent of small business career interest. Family members, especially parents play a key role in establishing the desirability and credibility of entrepreneurial action for individuals. Scherer et al. (1989) found that the presence of a
parent entrepreneurial role model was associated with an individual’s business performance. Individuals with a parent entrepreneurial role model were perceived to be high performers and were significantly different from individuals without entrepreneurial role models, who were perceived to be low performers. The majority of successful women entrepreneurs identified one parent as being more influential, that is, many successful women identify strongly with their fathers (Henning & Jardim, 1978). Belcourt et al.’s (1991) study reported that 33 percent of Canadian women entrepreneurs surveyed stated their fathers were entrepreneurs. This is logical as parent-child relationship promotes achievement striving and independence (Stein & Bailey, 1973).

In this section, the support that the study looked at encompasses, network support, support agencies, government support and family. Support Networks play a multifaceted role for women entrepreneurship and business owners in general, by helping them access advice, form partnerships, and build value chain relationships which are highly essential for the growth of their businesses.

2.5 Chapter Summary

The chapter has examined literature on growth of women owned business and provided the theoretical model that guides the conduct reported in this thesis. In this chapter a theoretical framework linking the factors that influence the growth of women owned businesses and their hypothesized relationships has been developed and presented. Much of the research has focused on areas such as the trend of women’s entrepreneurship, demographics, and reasons for becoming an entrepreneur, types of business, barriers and the formation of networks, and the utilization of mentors. These areas have been studied in isolation and are mostly concentrated on women entrepreneurs from developed and westernized countries, with findings being generalized to women entrepreneurs worldwide. In addition, there is numerous literature on women entrepreneurs and growth of SMEs in Kenya. However, these studies had different aims, objectives and focused on different target populations.

The above literature however does not address the factors influencing the growth of women owned business in handicraft sector in Kenya and how these specific factors can be used as a lesson for future women entrepreneurs. This study is deemed to fill the gap.
by identifying specific factors that are responsible for resilience in SMEs operated by women entrepreneurs in the handicraft sector, and shade light on women specific differentials that affect their business growth.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology and procedures that were used for collecting and analyzing data for this study. In this chapter, the research design, population, data collection and analysis, research procedure was discussed and a summary of the chapter was given at the end of the section.

3.2 Research Design

This study used the descriptive research design. Cooper and Schindler (2008) state that the descriptive research design helps answer questions about what, where and how of a research study. It helps to identify and explain the variables that exist in a given situation and describe the relationship that exists between these variables in order to provide a picture of a particular phenomenon. A survey is any procedure in which data is systemically collected through some form of solicitation (Mugenda & Mugenda, 2003). This was the most appropriate way of collecting primary data on the growth of women owned enterprises in the handicraft businesses using a structural questionnaire. Also owing to the number of respondents who participated in the study, the survey was the best avenue to communicate with the respondents.

The research approach adopted was a survey on the growth of women owned enterprises in Nairobi in the handicraft sector. The choice of survey on women owned enterprises in Nairobi was due to the fact that these businesses are slow in growth. These businesses also employ the bulk of the Kenyan women population and true feelings of women entrepreneurs can be felt here.

3.3 Population and Sampling Design

3.3.1 Population

Population is the total collection of elements about which we wish to make some inferences (Mugenda and Mugenda, 2003). A large set of observations is called a population while the smaller set is called the sample (Kothari 2004). If the population is
extremely large, a sample is often examined to make conclusions about the larger population, (Pelham, 2000)

The total population of the study included all women owned businesses in the handicraft sector in Kenya which is 812 businesses. However, considering the financial and time constraints, the study focused on a sub-population which involves all women-owned handicrafts, who mainly deal in four types of handicrafts namely baskets, sandals, jewelry and carvings. In this case the target objects are women-owned businesses (i.e. the business unit must be owned by a woman) and the sampling units was the person in charge of running the day-to-day affairs of the businesses. The study focused on businesses in the three handicraft markets in Nairobi which are Westlands Triangle market, City Market and Village market.

The distribution of the sub-population is summarized below:

**3.1 The distribution of the sub-population**

<table>
<thead>
<tr>
<th>Location/Strata</th>
<th>Population Size</th>
<th>Percentage Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westlands Triangle Market</td>
<td>295</td>
<td>36.33%</td>
</tr>
<tr>
<td>City Market</td>
<td>247</td>
<td>30.42%</td>
</tr>
<tr>
<td>Village Market</td>
<td>270</td>
<td>33.25%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>812</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

Source: Nairobi City Council rent register 2006

**3.3.2 Sampling Design**

**3.3.2.1 Sampling Frame**

Sampling frame is a list, directory or index of cases from which a sample can be selected (Mugenda and Mugenda, 2003). The sample frame was drawn from the Kenya women entrepreneurs on the Nairobi City Council rent register for 2009 involved in handicrafts businesses, as per Table 3.1 of the population location and size. In determining the sample frame, the basic criterion adopted was that the women in business should be those that were dealing with handicraft products only.
3.3.2.2 Sampling Technique

This study employed a stratified random sampling technique. Stratified random sampling was arrived at by dividing the population into subgroups according to the locations and choosing respondents from a draw. Each element of the population had an equal chance of being chosen. Stratified random sampling was applied because the population is divided into three different locations coupled with the need for a probability sampling method to ensure fair generalization of the findings to the sub-population and consequently, the general large population. According to Cooper and Schindler (2006) stratification is usually more efficient and provides adequate data for analyzing the various subpopulations as compared to simple random sampling.

The population was divided into strata based on their location. In this case, 3 locations were taken as strata to give equal chance to each of the locations. From the strata, the sample was achieved using the proportionate representation by strata. The business women were randomly selected using lottery method from each stratum to avoid biases and to arrive to the expected sample size of 269.

3.3.2.3 Sample Size

According to Cheston (2007), sample size depends on projects, project purpose, project complexity, amount of errors willing, to be tolerated, time constraints, financial constraints and previous research in the area. To achieve a representative sample size for this study the following formula was used

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

Where:

\( n \) is the calculated sample

\( N \) is the Population

\( e \) is the sampling error

\[ n = \frac{812}{1 + 812 (0.052)} = 269 \]
The sample size was achieved using the formula shown, and it was found appropriate as it involved the whole population. This number was considered as a reasonable size that portrayed the picture of the target. Sample sizes within the strata were based on the proportionate representation by strata as shown below:

**Table 3.2: Sample size**

<table>
<thead>
<tr>
<th>Location/Strata</th>
<th>Population Size</th>
<th>Percentage Composition</th>
<th>Sampling Ratio</th>
<th>Representative Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westlands Triangle Market</td>
<td>295</td>
<td>36.33%</td>
<td>0.3633</td>
<td>98</td>
</tr>
<tr>
<td>City Market</td>
<td>247</td>
<td>30.42%</td>
<td>0.3042</td>
<td>82</td>
</tr>
<tr>
<td>Village Market</td>
<td>270</td>
<td>33.25%</td>
<td>0.3325</td>
<td>89</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>812</strong></td>
<td><strong>100.00%</strong></td>
<td></td>
<td><strong>269</strong></td>
</tr>
</tbody>
</table>

Source: Nairobi City Council rent register 2009

Stratified random sampling method was used because the cost per observation in the study was reduced. In addition, estimates of the population parameters may be wanted for each sub-population and increased accuracy at given cost.

### 3.4 Data Collection Method

Both primary and secondary sources of data were used for the study. The secondary data include information that are obtained mainly from different reports, bulletins, websites and literatures, which are relevant to the theme of the study. They were gathered from various sources to complement the survey-based analysis. The primary sources of data were questionnaires distributed to women entrepreneurs involved in handicraft businesses as per the Nairobi City Council rent register. Data was collected using a structured questionnaire, which comprised of closed and open-ended questions based on the objectives to ensure relevance of the study. In order to answer the basic questions raised, a 32 item questionnaire that has 5 parts was prepared, the first section entailed the background information the second section covered the growth of enterprises the third covered, social-economic factors followed by personal characteristics which was section four and finaly section five which covered support. The questionnaire (Appendix 1) is attached for more information. The first section of the questionnaire was designed to
address the respondents’ general information. The second part addressed the educational background and experience. The third part focused on family issues. Financing was tackled on the fourth section. The final part dealt with personal qualities, networking and support. The closed items required the respondents to choose one response from the potions provided. Open-ended questions required the respondents to freely give their opinions and suggestions. The questionnaire was used due to the following reasons: time constraints, cost will be reduced and accuracy of the data. The questionnaires were distributed to the women involved in handicraft businesses as per the Nairobi City Council rent register.

3.5 Research Procedures

The researcher first got a letter of introduction from the university, which was photocopied and attached to each questionnaire. To ensure validity and reliability of the data collection tools, the questionnaire was pilot tested by a total of nine respondents. Three respondents from each market were randomly sampled and used to pilot test the questionnaire. During the pilot test the researcher was keen to note the comments and difficulties the respondents faced when filling the questionnaire. The pilot test data was then coded and entered into SPSS where reliability of the scales used was tested using Crombach Alfa coefficient test or split half test. A coefficient of 0.50 to 0.99 was considered reliable after this the questionnaire was edited appropriately.

The questionnaire was then administered by the help of the research assistant to randomly selected respondents from each market; the respondents were left with the questionnaire to fill and it was collected later. The questionnaire was administered by way of drop and pick later method. However several reminders were sent after every three days to ensure that all the respondents filled the questionnaires and returned them to the researcher within a period of two weeks.

3.6 Data Analysis Method

The data analysis method was quantitative in nature using descriptive statistics where frequencies and percentages were applied. Each section on the questionnaire was set up to work out frequency distribution. Using the percentage and frequency distribution, the
most significant issues to each category of factors was identified and ranked. The research questions formed the basis of the data analysis.

In a bid to obtain a concise picture of the data, the data was organized, summarized and presented in form of tables, graphs and pie charts. The Statistical Package for Social Sciences (SPSS) spreadsheet was used to statistically analyze the data gathered. A combination of Epi-info Version 6.0 and Stats Direct Version 2.3.8 was used to carry out the chi square test.

Based on the feedback from the questionnaires, comparison among the groups was done using the chi square on factors influencing the growth of women owned enterprises in Kenya in the handicraft sector. The chi square test is suitable for analyzing data and problems that involve counting of responses as they occur under various categories or classifications. When data are in the form of categories Chi-square is, perhaps, the most suitable test to compare the obtained was a set of observed frequencies in given categories with a set of theoretical or expected frequencies within them (Athanne, 2011).

3.7 Chapter Summary

The chapter outlined the objectives of the study. This in turn led to a discussion about the research questions and research methodology. This chapter also justified the research methodology used for the study. The research objectives of the study supported a qualitative method of data collection and analysis. This approach allowed for the exploration and investigation of a number of diverse variables to provide detailed information and understanding of the participants. The presentation of the results and findings of the study are presented in the next chapter.
4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the analyzed results and findings of the study on the research questions concerning the data collected from the respondents. The purpose of this study was to establish the factors influencing the growth of women owned enterprises in Kenya in the handicraft sector. The first section of this chapter covers the general information, which presents demographic profiles of the respondents. The second section provides analysis on the effect of socio-economic factors on growth of women owned business, the third section has analysis on the effect of personal characteristics and the final section explores the influence of support on growth of business.

4.1.2 Response Rates

The response rate for this study 78 % representing 211 respondents out of 269 targeted populations as illustrated in figure 4.1
4.2 General Information

This section provides a summary analysis of the general information concerning the respondents’ business location, type of business, age of respondents, the year the businesses were founded and the reasons for starting business. These aspects were put into consideration in order to gain insight into the basic demographics of these women.

4.2.1 Type of Business

Table 4.1 below provides a summary of the various products that businesses dealt with. The results reveal that most of the businesses dealt in curio products accounting for 24%, traditional regalia were the second largest category of products accounting for 17%, 16% were traditional sandals while 14% dealt in kanga retail. The rest; boutique, gift shop, ornamental/necklaces and general shop business accounted for less than 10%.

Table 4.1: Type of Business

<table>
<thead>
<tr>
<th>Products</th>
<th>Distribution</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
</tr>
<tr>
<td>Curio Shop</td>
<td>50</td>
<td>24%</td>
</tr>
<tr>
<td>Traditional Sandals</td>
<td>34</td>
<td>16%</td>
</tr>
<tr>
<td>Traditional Regalia</td>
<td>36</td>
<td>17%</td>
</tr>
<tr>
<td>Kanga Retail</td>
<td>30</td>
<td>14%</td>
</tr>
<tr>
<td>Shop</td>
<td>20</td>
<td>9%</td>
</tr>
<tr>
<td>Ornamental/Necklaces</td>
<td>19</td>
<td>9%</td>
</tr>
<tr>
<td>Gift Shop</td>
<td>12</td>
<td>6%</td>
</tr>
<tr>
<td>Boutique</td>
<td>10</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>211</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

4.2.2 Year Business Started

Figure 4.1 presents a summary analysis of the age categories of the businesses under study. From the figure, results clearly show that the majority of the businesses started in between the years of 1996-2000 accounting for 48%. A good number were founded between the years of 2001-2005 but very few of them were old enough to have been founded before 1995.
4.2.3 Age of Women in Business

Figure 4.2 below presents a summary of the analysis of the age groups that women doing Jua Kali business belong to. These findings reveal that the majority of these women are between the ages of 31-35 years accounting for 40%, followed closely by, but with equal percentage of 28%, the ages of 36-40 and 25-30. There are few women in these sectors who are over 41 years of age.

4.2.5 Reasons for Starting Business

This study sought to find out from the respondents their reasons for starting these businesses. Table 4.3 provides their responses. The major reason that was given was that most of these women preferred to work for themselves. The second most given reason was that there were no options and that’s why most of them ended up doing their current business. A good percentage of them however thought that they wanted to use income from businesses to increase their household consumption. 21.6 percent were of the opinion that starting their business would provide them with better income than alternatives.
<table>
<thead>
<tr>
<th>Starting up Business</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>I prefer to work for myself</td>
<td>63</td>
<td>31.2</td>
</tr>
<tr>
<td>No option available</td>
<td>51</td>
<td>23.6</td>
</tr>
<tr>
<td>I want to use the income to increase my household consumption</td>
<td>50</td>
<td>23.1</td>
</tr>
<tr>
<td>Small business provided better income than alternatives</td>
<td>46</td>
<td>21.6</td>
</tr>
<tr>
<td>I want to supplement my income that I earn elsewhere</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>211</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

In summary the study results indicate that majority of respondents, 57% operated from Westlands. This shows that Westlands was a more preferred area by the respondents than the rest of the areas. 24% of the respondents mainly dealt with curio shops as the category of products, while the rest of the respondents indicated that they were selling traditional regalia, traditional sandals, kanga, boutique, gift shop, ornamental/necklaces and general shop. The study shows that 48% of respondents indicated that their businesses were started in between the years of 1996-2000. This indicates that most of the surveyed women had experience in the business sectors that they operated in. Majority, 40% of the women respondents are between the ages of 31-35. This study results confirm the findings of Birley et al. (1989), Carter et al. (2001) and Shaw et al. (2005) that women start their businesses at a young age. The major reason that was given by most of the surveyed women is that they preferred to work for themselves. This shows that women start their own business because of their desire to have the flexibility to combine work with family life. Following the findings of the general information of the women respondents, the study sought to explore the key factors that affect the growth of women entrepreneurs in handicraft sector.

4.4 Socio-Economic Factors that affect the Growth of Women-Owned Business

4.4.1 Economic Factors

The major economic factors that affect the performance of women entrepreneurs include finance, market, training, land, information, managerial skills, infrastructures and raw materials (Samit, 2006).
4.4.1.1 Experience in Business Management

The first specific objective that this study sought to determine was the key factors that influence the growth of women entrepreneurs in the handicraft sector. Experience in business management was the first economic factor to be looked at. This was found to be important in order to establish how this affects the growth of women businesses. It was important to establish whether there was a relationship between experience in business management and the growth of women entrepreneurs. This knowledge was an important aspect of the woman entrepreneur and by understanding it, it may enable policy-makers to create an encouraging environment for women entrepreneurs to grow their businesses.

4.4.1.2 Starting Business and Employment Status

There are many reasons that influence someone to start up a business. These reasons have a far reaching effect on how successful these businesses rise or collapse. Table 4.4 provides a correlation analysis between the reason for starting a business and the employment status of the person wishing to start the business. Results in the table reveal a strong and statistically significant relationship between the two in the computations of Pearson’s Correlation (r = 0.401, n = 211, p < 0.01). The results imply that there are high chances of someone starting up a business based on his/her employment status.

Table 4.4 Starting Business and Employment Status

<table>
<thead>
<tr>
<th>Reason to start a small business on your own?</th>
<th>Employment status before you started this small enterprise</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>.401**</td>
<td>0</td>
<td>211</td>
</tr>
</tbody>
</table>

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

Table 4.5 Tabulation of Starting Business and Employment Status

<table>
<thead>
<tr>
<th>Employments status before you started this small enterprise</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployed</td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td></td>
</tr>
<tr>
<td>Self Employed</td>
<td></td>
</tr>
</tbody>
</table>
### Reasons for starting a small business of your own

<table>
<thead>
<tr>
<th>Reason</th>
<th>Count</th>
<th>Yes</th>
<th>No</th>
<th>May</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No option available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>51</td>
</tr>
<tr>
<td>Small business better income than alternatives</td>
<td>13</td>
<td>1</td>
<td>32</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>I prefer to work for myself</td>
<td></td>
<td>0</td>
<td>63</td>
<td>0</td>
<td>63</td>
</tr>
<tr>
<td>I want to supplement my income that I earn elsewhere</td>
<td></td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>I want to use the income to increase my household</td>
<td>19</td>
<td>0</td>
<td>31</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>84</td>
<td>64</td>
<td>63</td>
<td>211</td>
<td></td>
</tr>
</tbody>
</table>

To ascertain the strength of the relationship in table 4.4, a cross tabulation of the two variables was conducted and presented in table 4.5. Results in the table show that based on the employment status of these women, all of them had different reason for venturing into handicraft businesses. The majority of those who were unemployed, felt that it was good for them to start business because they wanted to supplement the small cash they earned and the fact that they wanted to create some employment for themselves as there was no alternative available. For those who were previously employed, their major reason for starting up a business was because they wanted to work for themselves, while for those who were already self-employed most of them felt that small businesses had better income than alternatives. With this in mind, the next question was the women’s experience in business and record of account.

### 4.4.1.3 Experience in Business and Records of Account

To find out the length of doing business and whether the businesses kept records of account, an analysis was carried out. Results in table 4.6 reveal that a majority (64.5%) of the businesses irrespective of how long they had been in operation actually do keep records of account. This is very instrumental in the growth of any business venture. To be able to keep records, one needs education, thus the next question was on education and budget management.
Table 4.6: Experience in Business and Records of Account

<table>
<thead>
<tr>
<th>Length of Managing Business</th>
<th>Do you keep any record of accounts?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>1-2 yrs</td>
<td>32</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2-3 yrs</td>
<td>32</td>
<td>1</td>
</tr>
<tr>
<td>%</td>
<td>97.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>3-4 yrs</td>
<td>21</td>
<td>74</td>
</tr>
<tr>
<td>%</td>
<td>22.1%</td>
<td>77.9%</td>
</tr>
<tr>
<td>Over 4 yrs</td>
<td>51</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>136</td>
<td>75</td>
</tr>
<tr>
<td>%</td>
<td>64.5%</td>
<td>35.5%</td>
</tr>
</tbody>
</table>

4.4.1.4 Education and Budget Management

The study sought to find out the relationship between the level of education of the women who owned and ran businesses and their capacity to budget and project the growth of their businesses. Results presented in table 4.7 indicate that all the respondents who had secondary, diploma and university education had the capacity to budget and project the growth of their businesses. Those with primary level qualifications, 58.6%, indicated that they had issues performing this important business task. Based on the above findings, it was important to look at the level of education and business growth.

Table 4.7: Education and Budget Management

<table>
<thead>
<tr>
<th>Level of education</th>
<th>Do you budget and project the growth of the business</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Primary School</td>
<td>53</td>
<td>75</td>
</tr>
<tr>
<td>%</td>
<td>41.40%</td>
<td>58.60%</td>
</tr>
<tr>
<td>Secondary School</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>100.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Diploma Level</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>100.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>University Education</td>
<td>63</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td>100.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>136</td>
<td>75</td>
</tr>
<tr>
<td>%</td>
<td>64.50%</td>
<td>35.50%</td>
</tr>
</tbody>
</table>
4.3.6 Level of Education and Business Growth

To find out the relationship between the level of education and business growth, table 4.8 presents computations of Pearson’s Correlation between level of education and business growth. There exists a strong relationships based on ability of budgeting and projecting business growth and percentage of profits retained for savings at the level of education \( r = -0.559, n = 211, p < 0.01 \) and \( r = 0.811, n = 211, p < 0.01 \) respectively. These results imply that the two factors critically play an important role in determining the growth of a business.

Table 4.8: Level of Education and Business Growth

<table>
<thead>
<tr>
<th>Level Of Education</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you budget and project the growth of the business</td>
<td>-.559**</td>
<td>.000</td>
<td>211</td>
</tr>
<tr>
<td>What percentage of your profit do you put aside as savings?</td>
<td>.811**</td>
<td>.000</td>
<td>211</td>
</tr>
</tbody>
</table>

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

4.4.1.5 Education Background and Business Growth Model Summary

A model summary is used when predicting the value of a variable based on the value of another variable. In this case, the variable being used to predict the other variable's value is called the independent variable. The variable being predicted is called the dependent variable. Under this analysis, the dependent variable is Business Growth (BG) which depends on the individual Level of Education (LE) which is the independent variables. R square is 0.312 which implies that 31.2% of level of education determines the growth of a business.

Table 4.9: Education Background and Business Growth Model Summary

<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>.559a</td>
<td>.312</td>
<td>.309</td>
<td>.39893</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), What is the highest level of education you completed?

4.4.1.9 ANOVA
ANOVA assesses the importance of one or more factors by comparing the response variable means at the different factor levels. ANOVA was necessary to determine whether there are differences in the growth of women owned businesses based on their level of education.

ANOVA table 4.10 indicated that the regression model predicted the outcome variable significantly well. As indicated in Sig. column, $P$ is 0.000 which is less than 0.05 and which implies that, overall, the model applied is significantly good enough in predicting the outcome variable, $(r=0.559, p=0.000)$.

**Table 4.10: ANOVA**

<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>Regression</td>
<td>15.081</td>
<td>1</td>
<td>15.081</td>
<td>94.762</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>33.261</td>
<td>209</td>
<td>0.159</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>48.341</td>
<td>210</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Business Growth  
b. Predictors: (Constant), What is the highest level of education you completed?

### 4.4.1.10 Coefficient of Regression Analysis

A unilabiate regression analysis was used to determine the weight of the relationship between business growth and the level of education. The values in the Table 4.11 helped in developing the regression equation, which indicated the coefficients part of the outputs. The objective was to determine the relationship between the dependent and independent variables, as well as to predict changes in the dependent variables in response to changes in the independent variables. To validate the results generated from the Pearson product-moment correlation coefficient, a more sophisticated exploration of the inter-relationships within the variables was achieved by conducting regression analysis. This equation took the following form: dependent variable = slope, times independent variable, and intercept. The dependent variable is Business Growth (BG) and independent variable is the Level of Education (LE). For every increase in one unit of (LE), business growth changes by -0.295 units.

The equation of regression line is: $\text{BG} = 2.146 - 0.295 \text{LE}$
Table 4.11: Coefficient of Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.146</td>
<td>0.086</td>
</tr>
<tr>
<td>Level of Education</td>
<td>-0.295</td>
<td>0.03</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Beta</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>t</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25.036</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-9.735</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>

In summary the results reveal a strong and statistically significant relationship between Starting Business and Employment Status in the computations of Pearson’s Correlation (r = 0.401, n = 211, p < 0.01). The results imply that there are high chances of someone starting up a business based on his/her employment status. The study shows that based on the employment status of these women, all of them had different reason for venturing into handicraft businesses. Results also reveal that the majority (64.5%) of the businesses irrespective of how long they had been in operation actually do keep records of accounts. The findings showed a very significant association between the level of education and good business management practices and that women with less than high school education do not practice bookkeeping and budgeting whilst all women with higher than high school education do have the good practices.

4.4.2 Social Factors

Social factors affect the performance of women entrepreneurs in SMEs. This study looked at the changing roles of women and cultural issues that affect women entrepreneurs in handicraft business.

4.4.2.1 Marital Status and Number of Dependents

The study sought to find the marital status and the number of dependents of the respondents. Table 4.12 presents a summary of the presentation of the load levels that women in this study carry in their daily lives as they go on with their business. From it we can clearly tell that the majority of the single and widowed women have less than three dependents represented by 77.1% and 100% respectively, while those who are married have between 3-5 dependents. From the number of dependents, the next question was on the food expenditure.
Table 4.12: Marital Status and Number of Dependents

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Number of Dependents</th>
<th>Count</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-2</td>
<td>64</td>
<td>19</td>
</tr>
<tr>
<td>Single</td>
<td>3-5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>77.1%</td>
<td>22.9%</td>
</tr>
<tr>
<td>Married</td>
<td></td>
<td>32</td>
<td>77</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>29.4%</td>
<td>70.6%</td>
</tr>
<tr>
<td>Widowed</td>
<td></td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>115</td>
<td>96</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>54.5%</td>
<td>45.5%</td>
</tr>
</tbody>
</table>

4.4.2.2 Marital Status and Food Expenditure

Further to check the strength in the relationship between marital status and expenditure on food, table 4.13 provides the summary. Results show that, for majority of single women, of them, 98.4%, barely spend more than 25% of their income on food. This is expected. For the married ones, there is a spread based on the number of dependents. Most spend 25% and the others spend 32.3% of income on food. Most of the windowed women take 75% of their income and spend it on food. They are left with 25% which they have to spend on other expenses. This shows that these women have so many constraints as they grow their businesses.

Table 4.13: Marital Status and Food Expenditure

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Percentage Of Income Going To Food</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>Single</td>
<td>Count</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>98.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Married</td>
<td>Count</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>67.7%</td>
<td>32.3%</td>
</tr>
<tr>
<td>Widowed</td>
<td>Count</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>71.2%</td>
<td>28.2%</td>
</tr>
</tbody>
</table>

4.4.2.3 Family Status and Income Obligations

Different family sizes have different levels of needs. Based on this premise, this study sought to find out whether there was any relationship between marital status, number of dependants and the specific family related obligations: school fees, medical and food
expenses. Results in table 4.14 show a very direct and strong significant relationship between these variables. The number of family dependents correlates with the entire three family obligations at \( r = -0.701, n = 211, p < 0.01 \), \( r = 0.765, n = 211, p < 0.01 \) and \( r = 0.169, n = 211, p < 0.05 \) for school fees, medical and food respectively. Further, the same correlate with marital status at \( r = -0.510, n = 211, p < 0.01 \), \( r = 0.319, n = 211, p < 0.01 \) and \( r = 0.585, n = 211, p < 0.01 \) in the same order as shown below. The implication of this is that, family obligation interplay based on number of dependents and the marital status of these respondents.

**Table 4.14: Family Status and Income Obligations**

<table>
<thead>
<tr>
<th>How many dependents do you have</th>
<th>Pearson Correlation</th>
<th>Medical</th>
<th>Food</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( -.701^{**} )</td>
<td>(.765^{**} )</td>
<td>(.169^{*} )</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.025</td>
</tr>
<tr>
<td>N</td>
<td>211</td>
<td>198</td>
<td>177</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>What is your marital status</th>
<th>Pearson Correlation</th>
<th>Medical</th>
<th>Food</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( -.510^{**} )</td>
<td>(.319^{**} )</td>
<td>(.585^{**} )</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>211</td>
<td>198</td>
<td>177</td>
</tr>
</tbody>
</table>

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

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

**4.4.2.4 Number of Dependents and School Fee Obligations**

To further get the strength of the relationships in table 4.14, table 4.15 shows a cross tabulation between number of dependents and school fees obligation. Results presented reveal that the more the number of dependents the higher the investment on fees. There is an increase in both the 75% and 100% fees obligation as the number of dependents’ increases. These results imply that these women doing business invest more in paying school fees depending on the number of children/dependents they have. The next issue that the study sought was if the women entrepreneurs received any support in their businesses.
Table 4.15: Number of Dependents and School Fees Obligation

<table>
<thead>
<tr>
<th>Number of Dependents</th>
<th>Percentage of Income Going To School Fees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>1-2</td>
<td>Count</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.0%</td>
</tr>
<tr>
<td>3-5</td>
<td>Count</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>21.8%</td>
</tr>
</tbody>
</table>

4.4.2.5 Family Support in Business

This study sought to find out from the respondents whether they got any support in running their business from their families. The question asked was based on their marital status and the extended family members. Table 4.16 presents a summary. These results show that very few of the married ladies do have dependants outside their extended family. On the other hand, all the unmarried/widowed ladies registered having dependents outside their extended family. The implication of these results is that most of the married women concentrate much of their efforts in building their business ventures with no support from the extended family.

Table 4.16: Family Support in Business

<table>
<thead>
<tr>
<th></th>
<th>Does the number of dependants include extended family</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>If married, does your husband support your business</td>
<td>Count</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>30.3%</td>
</tr>
<tr>
<td></td>
<td>Count</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>30.0%</td>
</tr>
</tbody>
</table>

4.4.2.6 Family Issues and Business Growth Model Summary

Table 4.17 presents a model summary that was used in predicting the dependent variable: Business Growth (BG) using two independent variables which are: Marital Status (MS) and Dependents including Extended Family Members (DEFM). R square value is 0.478
that implies that 47.8% chance that (MS) and (DEFM) will always determine Business Growth (BG).

**Table 4.17: Family Issues and Business Growth Model Summary**

<table>
<thead>
<tr>
<th>Model Summary</th>
<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></td>
<td>1</td>
<td>.692(^a)</td>
<td>.478</td>
<td>.473</td>
<td>.34821</td>
</tr>
<tr>
<td></td>
<td>a. Predictors: (Constant), What is your marital status does the number of dependants include extended family</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**4.4.2.6 ANOVA**

ANOVA was performed to see if family issues has a significant effect on the growth of women–owned businesses. Even though other analysis in the previous section showed that there are some differences, another test using ANOVA is necessary to determine the significance.

From the test, ANOVA table 4.18 indicated that the regression model predicted the outcome variable significantly well. As indicated in Sig. column, \( P \) is 0.000 which is less than 0.05 and which implies that, overall, the model applied is significantly good enough in predicting the outcome variable, \( r=0.692, p=0.000 \).

**Table 4.18: ANOVA**

<table>
<thead>
<tr>
<th>ANOVA(^a)</th>
<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></td>
<td>1</td>
<td>23.121</td>
<td>2</td>
<td>11.561</td>
<td>95.345</td>
<td>.000(^b)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regression</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Residual</td>
<td>208</td>
<td>.121</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>48.341</td>
<td>210</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Dependent Variable: Business Growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Predictors: (Constant), What is your marital status, Dependants include extended family members</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**4.4.2.7 Coefficient of Regression Analysis**

The equation of regression line is: \( \text{BG} = 3.441 -0.324 \text{MS} -0.833 \text{DEFM} \)
The values in the table 4.19 helped in developing the regression equation, which indicated the coefficients part of the outputs. To validate the results generated from Pearson product-moment correlation coefficient, a more sophisticated exploration of the inter-relationships within the variables was achieved by conducting regression analysis. The dependent variable is Business Growth (BG), and independent variables are Marital Status (MS) and Dependents including Extended Family Members (DEFM). For every increase in one unit of (MS) and (DEFM), Business Growth (BG) changes by -0.324 and -0.833 units respectively.

In summary the results of the study show that the majority of the single and widowed women have less than three dependents. In addition, most of the married women concentrate much of their efforts in building their business ventures with no support from extended family. The study shows a very direct and strong significant relationship in the number of family dependents with the family obligations. This confirms that these women invest more in paying school fees and other family obligations depending on the number of dependents they have. The study shows that there was a negative relationship between business growth, marital status and dependents including extended family members. These results confirm the dual role of woman entrepreneur as an obstacle to entrepreneurship. The next objective the study sought to determine is how access to finances affects the growth of women owned businesses.
4.3.17 Access to finances

Another economic factor that this study explored was access to finances. Vast literature on women entrepreneurship has identified access to finance as their biggest obstacle to entrepreneurship. A study on access to finances is important because women face a lot of discrimination when it comes to acquiring finances. The study sought information on how the women entrepreneurs got their finances to start up and grow their business.

Respondents were required to provide information of how they got the finances to start off their businesses and how they invested the funds. Table 4.20 presents a summary of the findings. These results reveal that the majority of those women who took loans to start their businesses, invested more than 75% in business. For those who didn’t borrow loans, 18.1% of them invested 25% of their capital in business. Still a good percentage of this group, 61% and 21% of women invested more than 75% of their capital in business ventures. These results show that, most of the women doing business in this sector value their businesses a lot as a source of livelihood. The next question was on whether the women had to borrow a loan to finance their business.

Table 4.20: Financing Business

<table>
<thead>
<tr>
<th>Did you finance your business using a loan?</th>
<th>Percentage of loan borrowed into business</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>25%</td>
<td>31</td>
</tr>
<tr>
<td>%</td>
<td>3.1%</td>
<td>96.9%</td>
</tr>
<tr>
<td>No</td>
<td>19</td>
<td>64</td>
</tr>
<tr>
<td>%</td>
<td>18.1%</td>
<td>61.0%</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>95</td>
</tr>
<tr>
<td>%</td>
<td>14.6%</td>
<td>69.3%</td>
</tr>
</tbody>
</table>

4.3.19 Loan Repayment
Respondents were required to provide information on whether their businesses made enough money to repay their start up loan. The information would tell if the women-owned business were profitable or not.

**Table 4.21: Loan Repayment**

<table>
<thead>
<tr>
<th>Repayment of loan from non-business funds</th>
<th>Alternative source of income to pay loan</th>
<th>Count</th>
<th>Support from husband</th>
<th>Sale of property</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment of loan into the business</td>
<td>Count</td>
<td>1</td>
<td>19</td>
<td>20</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>5.0%</td>
<td>95.0%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Investment of loan into non-business factors</td>
<td>Count</td>
<td>32</td>
<td>1</td>
<td>33</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>97.0%</td>
<td>3.0%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>33</td>
<td>20</td>
<td>53</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>62.3%</td>
<td>37.7%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.21 reveal that, majority 63% of the women who invested their loans into the business had to sell property in order to recover cash to pay for the loan borrowed. On the other hand, the majority 37.7% of those who invested their loans in non-business factors had to get support from their husbands in order to pay the loans. The next question in the study was on how the women spend their loan.

**4.4.1.18 Spending Loan Borrowed**

The study further sought to find out how respondents spent the loans that they borrowed. In the repayment of the loans, 97% of those who had invested in business spent their loans on food for their families, while for those who had invested in non-business factors, a good percentage had been spread across school fees and food for family accounting for 46.3% and 51.2% respectively. After looking at how the women spent the loan borrowed, the study then did the correlation analysis on how financing influences the growth of the business.
Table 4.22: Spending Loan Borrowed

<table>
<thead>
<tr>
<th>Repayment of loan from business funds</th>
<th>Investment of loan into the business</th>
<th>Count</th>
<th>School Fee</th>
<th>Medical Fee</th>
<th>Food For Family</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td></td>
<td>1</td>
<td>0</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td></td>
<td>3.0%</td>
<td>0.0%</td>
<td>97.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Investment of loan into non-business factors</td>
<td>Count</td>
<td></td>
<td>19</td>
<td>1</td>
<td>21</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td></td>
<td>46.3%</td>
<td>2.4%</td>
<td>51.2%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td></td>
<td>20</td>
<td>1</td>
<td>53</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td></td>
<td>27.0%</td>
<td>1.4%</td>
<td>71.6%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

4.5 Personal Characteristics and the Growth of Women-Owned Businesses;

The next specific objective that this study purposed to explore were the women characteristics that affect the growth of women owned businesses. This section therefore presents the results of the study on the personal characteristics of the women entrepreneurs in the handicraft sector. The personal characteristics explored in this study were leadership traits and the desire to grow. The study was important because there is significant evidence in literature that entrepreneurial characteristics make a fundamental contribution to enterprise formation and development. At the end of the section, personal characteristics unique to women entrepreneurs in the handicraft sector are developed.

4.5.1 Leadership Traits

Respondents in this study were asked whether they considered themselves as good leaders. Figure 4.3 presents a summary of their response. 89 percent of them felt that they had adequate leadership traits for doing business. Eleven percent felt that their leadership had gaps when it came to doing business.
Figure 4.3: Leadership Character

Those who felt that they had gaps in their leadership were requested to further give reasons as to why they felt so. One major reason was that, because of their poor marketing skills they could not command a niche in the market, and the second one was that the majority of the business women lacked adequate funds to take courses on the professional skills required for their businesses.

Further, in line with the reasons, given respondents were also asked to list what they thought were their weaknesses when it came to doing business. One of the major weakness cited was that some women invested their business money on stylish and decent clothing. Poor time management when it came to opening the business and meeting customer deadlines was another weakness highlighted. Lack of knowledge on the proper use of business capital was also cited as a weakness. The section will deal with the desire to grow.

4.5.2 Need for Growth

Women in the study were asked to give their opinions on whether they had the desire to grow and achieve much more in their undertakings. Expectedly, 90% of them had the desire to grow, 10% felt otherwise. Of the 90%, most of them wished to expand their business, others wanted to get more money, while others wanted to open and expand their business by opening larger markets for their goods. There were others who just wished to quit the business completely and do other things that could provide them with their daily income. Need for growth results are presented in table 4.24 below.

Table 4.24: Need for Growth

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>185</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>205</td>
</tr>
</tbody>
</table>

The respondents were asked to rate themselves in relation to their personal characteristics. Results show that the respondents rated themselves very highly on all the listed traits. The first was whether they considered themselves as good leaders. Majority 90% of them felt that they had good leadership traits adequate for doing business. While those who were
not good leaders cited the major reason as poor marketing skills. Secondly, 90% of them wished to expand their business, others wanted to get more money, while others wanted to open and expand their business by opening larger markets for their goods, most of the women said they had the desire to grow. These findings led to the development of a story-line about the personal characteristics of the women owned business in handicraft sector, to add to the over-all understanding of them.

4.6 Influence of Support on the Growth of Women-Owned Businesses

The last specific objective that this study explored was the influence of support on the growth of women-owned businesses. This section therefore presents the results of the study on the influence of support on the growth of women-owned businesses in handicraft sector. The support explored in this study was networking and family support. This was important because as discussed in the literature review, support has been posited as a key to business success. The finding here provides information important to create a supportive and more favorable environment for women entrepreneurs.

4.6.1 Running of Business

Table 4.28 presents a summary analysis of the responses on how personalities running business affect business growth. Findings show that those women who decide to run business by themselves do not employ other person for assistances. While 97% of those who decide to employ people, employ their relatives. These results show that, in this kind of business, nepotism is so much put into consideration rather than professionalism.

<table>
<thead>
<tr>
<th>Who runs the business?</th>
<th>Do you employ relatives?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>I run it alone</td>
<td>Count</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Employ people to help me run it</td>
<td>Count</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>97.0%</td>
</tr>
<tr>
<td>I run it with a relative</td>
<td>Count</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>46.5%</td>
</tr>
</tbody>
</table>
88% of those relatives employed in this business, received payment for their work and support while 12% of purely provide free services.

4.6.2 Support and Business Growth Model Summary

Table 4.25 presents a model summary that was used in predicting the dependent variable: Business Growth (BG) using two independent variables were: Employment of Relatives (ER) and Individual in charge of Running Business (IRB). R square value is 0.992 that implies that 99.2% chance that (ER) and (IRB) will always determine Business Growth (BG).

Table 4.25: Support and Business Growth Model Summary

<table>
<thead>
<tr>
<th>Model Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Do you employ relatives? Who runs the business?

4.6.3 ANOVA

ANOVA was performed to see if support has a significant effect on the growth of women–owned businesses. Even though other analysis in the previous section showed that there are some differences, another test using ANOVA is necessary to determine the significance.

From the test, ANOVA table 4.26 indicated that the regression model predicted the outcome variable significantly well. As indicated in Sig. column, P is 0.000 which is less than 0.05 and which implies that, overall, the model applied is significantly good enough in predicting the outcome variable, (r=0.996, p=0.000).

Table 4.26: ANOVA

<table>
<thead>
<tr>
<th>ANOVA&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Business Growth
b. Predictors: (Constant), Do you employ relatives? Who runs the business?
4.6.4 Coefficient of Regression Analysis

To further get the strength of the relationships between business growth, employment of relatives and individuals in charge of running business, regression analysis was done. The values in the table 4.27 helped in developing the regression equation, which indicated the coefficients part of the outputs. The dependent variable, Business Growth (BG), independent variables; Employment of Relatives (ER) and Individuals in charge of Running Business (IRB). For every increase in one unit of (ER) and (IRB), Business Growth (BG) changes by 0.507 and 0.520 units respectively. The next question that was explored was on marketing strategies.

Table 4.27: Coefficient of Regression Analysis

<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>-.541</td>
<td>.026</td>
<td></td>
<td>-20.608</td>
</tr>
<tr>
<td>Who runs the business?</td>
<td>.507</td>
<td>.005</td>
<td>1.436</td>
<td>110.003</td>
</tr>
<tr>
<td>Do you employ relatives?</td>
<td>.520</td>
<td>.012</td>
<td>.584</td>
<td>44.739</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Business Growth

The equation of regression line is: BG = -0.541 + 0.507 ER + 0.520 IRB

4.6.5 Marketing Strategies to Increase Service Awareness to Customers

Respondents in this study were requested to provide the marketing strategies that they used in increasing the customer awareness of their services and goods. The listed strategies included providing customers with discount and ensuring that they supplied unique goods/products as indicated by 80%. 10% of business ladies used the strategy of calling their customers to buy their products whenever ready, while others used their current customers to tell their friends and relatives. Price reduction on product was another strategy that was employed in marketing in this sector by 80%.
4.6.6 Business Meeting on Sales Increment and Business Growth

Clear and accurate business goal formulation requires constant meetings with relevant stakeholders. Based on this premise, this study sought to find out from the women doing business whether they held meetings with the people they work with to deliberate on how to increase sales and grow businesses. Results revealed that most business women do hold such meetings. They further gave descriptions on how they do this. 26% do check on modalities for improvement, both as individuals and business in general, 54% check on records of account and take stock of monthly sales, while 20% take this chance to give staff opportunities to suggest and give innovative ideas that foster a positive engagement. Other ways of doing this are that 42% business women take time to initiate personal talks aimed at motivating their staff in order to make them aggressive and business minded. 31% take time every end of month, look at profits and set targets to be accomplished for the next accounting period. Lastly 33% do take these meeting times to talk about where to get good market and strategy to get more customers.

4.6.7 Factors Affecting Running of Business

Running of any business has its ups and downs. Respondents in this study were requested to provide what they thought were the challenges that affected them in their daily running of their businesses. Top on the list was a challenge posed by lack of experienced manpower to help grow their businesses. 21% indicated the lack of adequate funds to provide them with the opportunity to grow and expand their ventures. Personal engagement outside business lead to waste of business time. High cost of doing business in Nairobi posed by Nairobi City Council as well as unreliability of supply of goods from suppliers were the other factors that hinder women in doing business.

4.6.8 Factors Influencing Success of Business

Finally respondents were presented with six different factors which they were to rate in the order in which they affected the success of their business. Table 4.29 provides the results. Coefficient of Variation was the tool that was used in the ranking of the effects of these variables. Based on these results, the nature of product and how it was marketed greatly influences the success of a specific business venture. This variable was ranked at
27%. Second was social cultural hindrances such as gender, as the society feels that its only men who can do business well at 22%. Employment of relatives based on the previous analysis shows that many of them lack experience and expertise of doing business. This has a negative effect on business growth. Fourth was the issue of the use of borrowed business loans at 17%. 15% of business women revealed that they had spent borrowed business loans on things that do not even relate to their business growth and development on several occasions. 11% and 8% were actual presence in business and adequate business management capacities of book keeping respectively.

<table>
<thead>
<tr>
<th>Table 4.29: Factors Influencing Success of Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of product and how it is marketed</td>
</tr>
<tr>
<td>Social cultural hindrances such as gender discrimination</td>
</tr>
<tr>
<td>Employment of relatives</td>
</tr>
<tr>
<td>The use of loans borrowed for the business</td>
</tr>
<tr>
<td>Personal management and presence at the business</td>
</tr>
<tr>
<td>Management of the business such as book keeping record</td>
</tr>
</tbody>
</table>

As far as support is concerned, the research findings show that these women entrepreneurs’ basic business support is the family followed by their friends in the business. A majority of the respondents felt that there is need for a business network for women in business. The study confirmed that there was a positive relationship between business growth, employment of relatives and individuals in charge of running business. In addition, the marketing strategies used to increase customers included; providing customers with discount and ensuring that they supplied unique goods/products. The study revealed that most business women do hold business meetings to check on modalities for improvement. Respondents in this study also confirmed that their biggest challenge was lack of experienced manpower to help grow their businesses. Finally, the nature of product and how it was marketed greatly influences the success of a specific business venture.
4.7 Chapter Summary

In this chapter, the researcher provided the findings with respect to the information given out by the respondents. The first section provided analysis of the general information of respondents. The results in this section indicate that majority of respondents operated from Westlands and they mainly dealt in curio products as the category of products. In addition, the respondents had experience in the business sectors and they were young.

The second section provided analysis on the socio-economic factors that affect the growth of women entrepreneurs in the handicraft sector. The study shows that based on the employment status of these women, all of them had different reasons for venturing into handicraft businesses. The findings showed a very significant association between the level of education and good business management practices and that women with less than high school education do not practice bookkeeping and budgeting whilst all women with higher than high school education do have the good practices. The implication of these results confirm the dual role of being woman and an entrepreneur as an obstacle to entrepreneurship. These results imply that, the factors determining the growth of these women owned business are modes by which they finance their businesses, that is, either through loans on personal capital and percentage of loan invested in business. The third sections provided the findings on the personal characteristic that affect the growth of women-owned businesses. Results show that the respondents considered themselves as good leaders and most of the women said they had the desire to grow.

The fourth section explored the influence of support on the growth of women-owned businesses. The research findings show that, these women entrepreneurs’ basic business support is the family followed by their friends in the business. The study revealed that most business women do hold business meetings to check on modalities for improvement. Respondents in this study also confirmed that their biggest challenge was lack of experienced manpower to help grow their businesses. Finally, the nature of product and how it was marketed greatly influences the success of specific business venture. The next chapter provides the conclusion, summary as well as discussions and recommendations.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter contains the introduction, summary, discussion, conclusions and recommendations about the findings of this study. The chapter will endeavor to provide a summary of the findings of the study, interpretation of the findings by comparing them with previous studies cited in the literature review, the major conclusions drawn and recommendations for improvement.

5.2 Summary

The purpose of this study was to establish the factors influencing the growth of women owned businesses in Kenya in the handicraft sector. The specific objectives of the study were to: Determine how socio-economic factors affect the growth of women owned businesses, Establish how personal characteristic affect the growth of women owned businesses and Find out how support influences the growth of women owned businesses. This study employed a descriptive research design. The study focused on a population of 812 business women. They included all women-owned handicraft businesses in the three handicraft markets in Nairobi; Westlands Triangle Market, City Market and Village Market. Data was collected from 269 respondents who were selected using stratified random sampling technique. The data analysis method was quantitative in nature using descriptive statistics where frequency and percentages were applied. Each section on the questionnaire was set up to work out frequency distribution. The response from the respondents were used to answer the research questions. Using the percentage and frequency distribution, the most significant issues of each category of factors were identified and ranked. In a bid to obtain a concise picture of the data, the data was organized, summarized and presented in form of tables, figures and graphs.

The study results indicate that majority of respondents (57%) operated from Westlands market and that most of the respondents (24%) mainly dealt with curio shops as the category of products. The study also shows that (48%) of respondents indicated that their businesses were started in between the years of 1996-2000. Majority of the women respondents (40%) are between the ages of 31-35.
Majority of the women in handicraft businesses are literate with 64.6% having high school education. This is followed by 16.5% with diplomas then 10% with primary education. The least are those with university education which form only 8.8% of the women. These findings therefore indicate that over 70% of the women in these businesses do not have college education.

While identifying the effects of educational background and experience of women on the growth of their business, the findings showed a very significant association between the level of education and good business management practices and that women with less than high school education do not practice bookkeeping and budgeting whilst all women with higher than high school education do have the good practices. Results reveal a strong and statistically significant relationship between starting business and employment status in the computations of Pearson’s Correlation ($r = 0.401$, $n = 211$, $p < 0.01$). The results imply that there are high chances of someone starting up a business based on his/her employment status. Furthermore, the study also shows that based on the employment status of these women, all of them had different reason for venturing into handicraft businesses. 40% of women have over four years of experience in business management, 32% of the women have between 3-4 years of experience whilst 33.2% have between 1-3 years of experience.

The results indicate a negative relationship between family issues of the founding entrepreneur and firm growth, holding other independent variables constant. According to the statistics, half of the women were married, 21.7% of them were single and the rest were either widowed or separated with 13.7% in each category. Statistics showed that 74.8% of the women reported that their husbands were supportive of their businesses whilst 25.2% of the women reported not to get any support from their husbands. According to the statistics over 70% of the women use 25% of their income on school fees, while, 12.8% of the women spend half of their income on fees and 16.5% spend 75% of their income on fees. It also indicates that 66.5% spend a quarter of their income on medical expenses whilst 33.5% spend half of their income on medical expenses. The findings also show that 46.9% of the women spend a quarter of their income on food, 37.1% spend half of their income on food and 16% use three quarters of their income on food.
The findings show that the problem of financing ventures for women in the handicraft businesses is a major problem to women entrepreneurs in general. Statistics indicated that slightly over 50% of the women access loan facilities but out of those who access the loans, only 23% of them manage to invest all the money into the business. It also showed that 57.6% of the women invest 75% of the loan into the business, 12.9% of them invest only half whilst 6.5% invest a quarter of the loan into the business.

According to the findings shown earlier, over 40% of the respondents were in the age group 31-35 years, 28.5% were between 25 years and 30 years, another 27.3% were in the age group 36-40 years and only 2.8% were between 41 years and 50 years.

Majority of respondents (90%) felt that they had good leadership traits adequate for doing business, while those who were not good leaders cited the major reason as poor marketing skills. Secondly was the desire to grow; 90% of them wished to expand their business, others wanted to get more money while others wanted to open and expand their business by opening larger markets for their goods. Most of the women said they had the desire to grow.

According to the statistics, there was a very significant association between the age of the businesswoman and practicing good business management practices. Furthermore, the frequency distributions shows that as women get older less of them employ good business practices i.e. bookkeeping and budgeting/growth projection whilst more of younger women utilize the good business management practices.

According to the statistics half of the women are married, 21.7% of them are still single and the rest are either widowed or separated with 13.7% in each category. Statistics showed that 74.8% of the women reported that their husbands were supportive to their businesses whilst 25.2% of the women reported not to get any support from their husbands.

The findings also indicated that most of the women, 32.6%, rely on proper display of products to make customers aware of the presence of the products. This is followed by good customer service and hawking products at different places e.i 21.2% and 17.4% respectively. According to the findings 44.6% of the women run their businesses alone, 19.3% used relatives to run the business, 18.9% run their businesses together with their
husbands and 17.3% have employed people to run the business on their behalf. In order to increase sales and ensure growth for the business 74% of the women sometimes organize meetings with their employees to plan on how to increase the sales and grow the business while on the other hand, 26% do not hold any meeting to strategize on how to increase sales and growth of the business.

5.3 Discussions

This section discusses the factors influencing the growth of women owned businesses in the handicraft sector Kenya. The specific objectives of the study were to: establish the key factors that affect the growth of women entrepreneurs in handicraft sector; ascertain the major characteristic that affect the growth of women owned businesses; and determine the influence of support on the growth of women owned businesses. The purpose of this section is to discuss the results and findings of the study within the context of the present literature.

5.3.1 Effect of Socio-Economic Factors on the Growth of Women Owned Businesses

The findings show that the majority of the women have high school education and below just a few of them had college education and even a much smaller percentage had university education. This is in accordance to (Women entrepreneurs in Kenya, 2008) that Kenyan women have low levels of education. In addition, a recent universal primary education policy has led to the equalization of education opportunities for boys and girls at primary level.

In addition to this, the above findings are also similar to recent studies (ILO, 2007) that show, more than half of the respondents have attained secondary or higher levels of education. However, only a small minority had business planning or entrepreneurship training. Lack of business and entrepreneurship skills inhibit potential entrepreneurs in accessing relevant business information, articulating their needs as well as dealing with regulatory and other challenges, such as bureaucracy. This is in line with (Heffernan, 2003) that due to women’s poor educational background, they lack the qualifications needed to compete with men in the labour market. In contrast, Matthews (1995) reports that most female attended university education; nonetheless, most of these graduates have
less interest in owning a small business than male graduates.

In looking at the effect of the wide spread low levels of education on their businesses the study found that the majority who do not have college education do not employ good business management practices due to lack of the knowledge and skills. This finding is similar to several studies which have investigated education and its impact on SSE and have confirmed education as an important attribute in business performance and in accessing resources and facilities for the business (Republic of Kenya, 2004). This has had a negative impact on the growth of their business. The few women with good education who also practice good business management practices are the ones who manage to invest most of the loans they acquire in business and repay the loans from the proceeds from the business.

The majority of the women suggested that training in entrepreneurship, loan implementation and repayment skills would impact the growth of their businesses. In addition, it was observed that though the women reported some form of increase in skills such as bookkeeping, business planning, budgeting and financial management, trainings was not available. While in the previous literatures, the focus was on technology, education, and training. Training is the essential component for producing an able group of entrepreneurs who not only survive but thrive and contribute to the local, and ultimately, the global economy. This is in line with Charney and Libecap’s (2000) argument that skill-based training, technical training, technology training, and delivery of management skills are necessary to strengthen not only entrepreneurs, but also associations.

However, respondents also suggested that SSE operators who have acquired experience through running businesses or who have already undergone training typically need a higher level or a specialized kind of support in such areas as investment analysis when planning for growth or new projects.

The findings on effects of financing revealed that only about half of the women manage to access loan facilities. This is in line with a study carried out by Gakure (2003), where it was observed that the problems faced by women entrepreneurs are well documented. The study identified lack of finance–to-finance business operations as one of the major constraints facing women who own businesses. In addition, recent studies (NFWBO,
1999) have shown that many SSEs lack access to finance for starting, operating and expanding their businesses. The estimated demand for SSE is 2.5 million borrowers, compared about 50,000 borrowers being served currently (ILO, 2007). The largest demand for credit is in the range of Kshs. 50,000 to 500,000.

Most respondents felt that small and short-term loans are available from several MFIs. The main beneficiaries are SSEs in trade, food vending and agriculture. Loans attract an interest rate of between 23 to 30% per annum, which is above the commercial lending rate. These rates would be a disincentive to long-term borrowing even if this was available.

In addition to this, SSES operators rely also on informal money lenders. However these have as extremely high rates as 130%. These high interest rates are camouflaged by short repayment periods. Problems which hinder access to credit by SSEs can be categorized into those which are attributable to the suppliers and those which are attributable to the environment.

Although, it is now generally easy for SSEs to access small loans from MFIs as long as they are ready to follow the group lending requirements, the group-lending model requires that borrowers form group and meet every week. One has to start with a small loan and gradually increase the amount. This is often simply too demanding for serious businesswomen. Models which allow women to borrow larger amounts without collateral are not known to exist in Kenya.

Majority of the women do not invest the full amounts received into the businesses in fact only less than a quarter of the women invest the loans in full into the business. The rest invest between a quarter and three quarters of the loans and use some for other things. This is contrary to a study by Ngugi and Bwisa (2013), where it was observed that women are committed to using their loans for the benefits of their household and therefore supporting their business enterprises and thus results into a ‘trickle down’ effect on wider poverty alleviation.

Interestingly, the study showed that when it comes to repaying the loans, majority of the women again depend on their businesses, which becomes too heavy for their businesses and many end up growing smaller instead of growing bigger as a result of the loans
received. The study also revealed that a majority of the respondents found the grace period and the loan repayment period to be very short thus straining and pressurizing the clients to make quick repayments. This is contrary to a study carried out in India by Palich (2006), where it was observed that credit to women had positive effects in terms of increase in women’s asset holdings.

In looking at the family issues, the study revealed that most of the married women get support from their husbands. The women have also reported that they are well respected and trusted by husbands and others because they are self-employed thus agreeing with the observations of Charney and Libecap (2000) that when women are generating income from business activities, their husbands cannot harass them because they are able to take care of the family without the husband’s financial support. This suggestion is contrary to McCormick (2004) study which stated that women’s increased economic power as a result of their involvement in business has also led to serious misunderstandings and even breakages in some marriages.

The study also found that family related responsibilities such as food, school fees and medication have a significant negative impact on the growth of their businesses. This was shown by the fact that, at least a quarter of the loans got are diverted to cater for family needs such food, school fees and medication which is in accordance with Carter and Allen’s (1997) argument that the performance of a business will be linked to the manner in which its owner chooses to balance home and work. Indeed, if the emphasis is put on their family life, businesses are likely to remain small. It is therefore argued that most women’s businesses tend to remain small because “women continue to take full responsibility for the reconciliation of paid work and household labor, including housework, childcare and care of adult dependents” (Cheston, 2002). Entrepreneurs choose to rely on husbands and male family members as their most important sources of support.

Most respondents suggested that women should try coprenurial marital partners who own and manage a small business together to reduce the work-family balance problems. In addition to this, it was observed that the enterprise culture in Kenya is still underdeveloped. This is partly because for 20 years, the enterprise culture was suppressed in favour of building a socialist society. As a result, there are few people with exposure to or experience in serious, private business activities. Those who are in business are almost
exclusively first generation. Indeed, this is in line with Brush (1997) that the majority of Kenyan enterprises were started during the 1990s. Most of those who currently populate the small business sector are “survivalists” rather than serious entrepreneurs. They have been forced into business by economic necessity as opposed to the “entrepreneurial spirit”. In addition, studies by Kinyanjui (2006) show that this is more prevalent among women who are relative newcomers in the business arena.

The women also observed that cultural values have however been gradually changing in favour of accepting a more active role by women in income generation activities which is in accordance with Charney and Libecap (2000) that the “forced” involvement of women in business has also given them the opportunity to build experience, confidence and practical skills for generating income and taking care of themselves and their families.

5.3.2 Effect of Personal characteristics on the Growth of Women-Owned Businesses

In looking at the effects of personal qualities on the growth of women-owned businesses, the study revealed that women entrepreneurs are risk averse, lacking confidence and unambitious. This differs with the findings of Langowitz and Minniti (2007) that women entrepreneurs tend to be highly motivated and self-directed. They also exhibit a high internal locus of control and achievement. However, Hisrich (1992) found no gender difference in terms of entrepreneurs’ attitudes towards risk – a finding that contradicts the widely held view that women entrepreneurs are risk averse.

Some of the respondents felt that they had good leadership qualities and the desire to achieve, while a big percentage felt otherwise and they should not be ignored. Without good leadership qualities and the desire to achieve, one is likely to perform poorly in almost everything including running her own business and this will not lead to business growth but failure.

5.3.3 Effect of Support on the Growth of Women-Owned Businesses

The results of the findings in this section show that the women do not have elaborate business networks, majority of them do not have good networking strategies. This is in accordance with Mungwara (2000) findings that lack of support from networks and business support agencies was found to be a great difficulty. Women entrepreneurs were
largely found not to be targeted by such associations to the extent that Rees reports that for instance “One prominent (business) Club in central Cardiff, a meeting place of senior private and public sector figures in Wales, refuses to allow women network by joining female business networks (Mungwara, 2000).

This study revealed that some of the women even fail to have regular meetings with their own employees, leave alone creating relationship with outsiders. This poor networking does not serve the business well since it limits the access to new clients and the ability to maintain clients.

The study also showed that marketing is critical to the success of enterprises, regardless of their size or of any gender dimensions. The inability to develop markets outside the immediate locality or to compete is one of the most serious impediments to the performance of SSEs. This is in line with a study carried out by ILO (2007), where it was observed that lack of market opportunities is a key constraint for SSEs in expanding employment and improving the quality of jobs so as to generate more decent work.

The majority of the women rely on the local market, which often has very limited purchasing power. While male entrepreneurs can travel long distances to do business, most women are inhibited by traditional roles, domestic responsibilities and cultural values. This problem is compounded by the fact that women are most commonly found in sectors that are characterized by intense competition. This is in accordance with Biekpe (2004) that many women undertake businesses which their neighbors or friends are doing. There is a need to map out areas that offer opportunities which can easily be exploited by women, given their capabilities and responsibilities.

Most respondents suggested that government’s support and recognition of the role and importance of micro and small enterprises should be clearly manifested in government policy documents on this sector thereby supporting the observation of Sessional Paper No. 1 (1994) on Recovery and Sustainable Development to the year 2010 which clearly emphasized government recognition of the significance of the small scale and Jua Kali enterprise sector to employment and income creation. In addition, the government should pass a legislation on MFI bill so as to improve the policy and regulatory environment governing MFIs.
5.4 Conclusions

The purpose of the study was to examine the factors influencing the growth of women owned businesses in Kenya in the handicraft sector. Based on the findings several conclusion were deducted.

5.4.1 Effect of Socio-Economic Factors on Growth of Women Owned Businesses

This study cast doubts on the role of prior knowledge on enterprise growth. There is evidence that the general level of education of women in small scale businesses is still low and the study concluded that the low level of education of women has led to widespread lack of good business management skills and knowledge. Lack of these critical knowledge and skills is one of the major impediment in the growth of women own small enterprises.

The study has concluded that only a few (about half) of the women have accesses to loan facilities. The study also concluded that most of the loans acquired do not benefit the business due to diversions to non-business related activities. It further concludes that the business are burdened with loan repayment even in cases where the loans being repaid were not invested in the business, which create too much burden on the business that some time leads to collapse.

The study also concluded that lack of family support has contributed to poor performance in the women owned businesses. The major family related issues that have led to poor growth of the businesses are the burden of responsibilities that the women have. This has not allowed the women to invest wisely because on many occasions the women have difficulties in deciding whether to invest in business or spend on the most urgent family needs.

5.4.2 Effect of Personal Characteristics on Growth of Women-Owned Businesses

In relation to the personality traits of the women entrepreneurs, most of the women have good leadership qualities and the desire to achieve. The majority of them perceived themselves as being entrepreneurial and rated themselves very highly on key personal characteristics. However there are a few who still have less than enough of these qualities leading to poor performance in their businesses. Significant evidence suggested a high
correlation between the personality traits of the women entrepreneurs and the growth of their businesses.

5.4.3 Effect of Support on Growth of Women-Owned Businesses

The level of networking among the businesswomen is very low. However there are women who are able to create some network for their products. The findings show that most women are participating in *jua kali* networks. However, most of these associations focus on providing marketing venues. While this is essential to successful enterprise development, there is no national association of women entrepreneurs whose purpose it is to represent the voice of *jua kali* women at the policy table.

The study concludes that financial resources, entrepreneurial skills and networking are important ingredients in growth and expansion of women micro enterprises. To enhance growth and expansion of their enterprises, there is need to mitigate the challenges through creating community awareness about gender balanced participation in business, develop inclusive and women responsive policies by lending institutions, training women entrepreneurs on financial literacy, and networking with stakeholders.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Effect of Socio-Economic Factors on Growth of Women Owned Businesses

Women Enterprise Fund should make provisions in its policies and procedures to support the Kenya individual women micro entrepreneurs through trainings to improve financial literacy for women entrepreneurs. Funds should be set aside specifically for vocational training for women who are already in business and the training curriculum needs should be tailored towards giving the women the right small business management skills.

Married women should be given support by their spouses in respect of finances, motivational encouragement, advice and actual involvement in the running of business. Women need to be trained on how to cushion their businesses from family interference.

Micro finance institutions should provide access to credit for women entrepreneurs at the level of micro and small-scale enterprises, through innovative programs and financing
arrangements that go beyond the conventional approaches. More loan facilities should be availed to women and the access to the facilities made simple and without discriminations.

5.5.1.2 Effect of Personal Characteristics on Growth of Women-Owned Businesses

The government should provide special programmes to train, capacity build and mentor women particularly in entrepreneurship to change women’s mind-sets to make women owned enterprises more competitive and continuously work towards providing conducive business environment.

It is recommended that a series of conferences for women entrepreneurs be hosted in Kenya, focused on transferring knowledge and skills, facilitating networking, and promoting the exchange of experiences among women.

5.5.1.3 Effect of Support on Growth of Women-Owned Businesses

The government should support women micro entrepreneurs to form co-operatives to save and access credit more rapidly to improve their enterprises. Women entrepreneurs are encouraged to join stakeholder network groups to socialize and benefit from contacts.

Women should be encouraged to form business clubs or women only business organization where they can exchange ideas and experiences. This will help them to have access to more knowledge and customers.

5.5.2 Recommendations for Further Studies

The research recommends the following topics for future studies: Understanding women’s and men’s perceptions of their experiences in the SSE sector. Women’s and Men’s perceptions of their experiences in the SSE sector are clearly an issue which requires greater understanding. It would be useful to ascertain if any gender-based difference arise in analyzing this area.

Analyzing women’s growth-seeking behavior. Women have been reported to prefer to start a variety of microenterprises rather than develop existing businesses into small and medium sized enterprises. It would be useful to determine the validity of these claims through serious empirical studies. Developing financing models for small enterprises.
Small enterprises cannot access bank loans because they lack the collateral and capacity to underwrite loan proposals. There is therefore an obvious need to explore and popularize models that have the potential to be used by small businesses.
REFERENCES


Kinyanjui, M.N (2006) *Overcoming barriers to Enterprise Growth:* The experience of SMEs in Rural Central Kenya, Nairobi


RESEARCH QUESTIONNAIRE FOR WOMEN OWNERS WHO OPERATE HANDICRAFT BUSINESSES IN NAIROBI

Date ..................................................  Questionnaire No. ..............................

Please be assured that the information you will provide is strictly for academic purposes and will be kept confidential. Kindly answer all the questions.

SECTION 1 – General Information

1.1) Name of business owner........................................................................................................

1.2) Type of business......................................................................................................................

1.3) Founded in .................................................(year)

1.4) How old are you?

25-30 years [ ]  31-35 year [ ]  36-40 years [ ]  41-50 years [ ]  over 50 [ ] years

1.5) why did you choose to start a small business on your own?

1. No option available [ ]

2. Small business provided better income than alternatives [ ]

3. I prefer to work for myself [ ]

4. I want to supplement my income that I earn elsewhere [ ]

5. I want to use the income to increase my household consumption [ ]

SECTION 2 – growth of women owned business
2.1 What is the highest level of education you completed?
   1) Primary School
   2) Secondary School
   3) High School
   4) Diploma Level
   5) University Graduate

2.2 How long have you managed your business?
   1-2 years
   2-3 years
   3-4 years
   over 4 years

2.3 What was your status before you started this small enterprise?
   Unemployed
   Employed
   self employed

2.4 Do you keep any record of accounts?
   Yes
   No

2.5 Do you budget and project the growth of the business?
   Yes
   No

2.6 What percentage of your profit do you put aside as savings?
   0%
   25%
   50%
   75%

SECTION 3 SOCIAL ECONOMIC FACTORS

3.1 How many dependants do you have?
   1-2
   3-5
   7-10
   over 10

3.2 In your answer above, does the number of dependants include extended family?


3.3 What is your marital status?

- Single
- Married
- Widowed
- Separated

3.4 If married, does your husband support your business?

- Yes
- No
3.5 What percentage of your income goes into family obligations such as school fees, medical and food?

School Fees - 25%  [ ]  50%  [ ]  75%  [ ]  100%  [ ]

Medical - 25%  [ ]  50%  [ ]  75%  [ ]  100%  [ ]

Food - 25%  [ ]  50%  [ ]  75%  [ ]  100%  [ ]

4.1 Did you finance your business using a loan?

Yes  [ ]  No  [ ]

4.2 If yes to 4.1, this question is aimed at finding out what sources of funds pay back your loans. Please tick the appropriate box.

<table>
<thead>
<tr>
<th>Payments/Investment of Loans</th>
<th>Investment of loan into the business</th>
<th>Investment of loan into non-business factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment of loan from business funds</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>Repayment of loan from non-business funds</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

4.3 What percentage of the loan borrowed goes into your business?

25%  [ ]  50%  [ ]  75%  [ ]  100%  [ ]

4.4 If you use part of the loan for other things other than the business, please tick appropriate box as indicated below.

School fees  [ ]  Medical fees  [ ]  Food for family  [ ]  Others  [ ]
If others, please specify below.

____________________________________________________________________

4.5 If you repay your loan from other funds apart from the ones from the business, where do you get this money from?

Support from husband [ ] Sale of property [ ] Further borrowing [ ]

others [ ]

If others, please explain further giving specific sources:

____________________________________________________________________

Section 4: Personal Characteristics

5.1 Do you consider yourself a good leader?

Yes [ ] No [ ]

5.2 If no to 5.1, please explain why?

____________________________________________________________________

____________________________________________________________________

5.3 What are your weaknesses?

____________________________________________________________________

____________________________________________________________________

5.4 Do you desire to a need to achieve?

Yes [ ] No [ ]
If yes, explain and give examples?

____________________________________________________________________________________

Section 5 –support factors

6.1 What marketing strategies have you put in place to make customers be aware of your services?

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________
6.2 Who runs the business?

1. I run it alone
2. I employ people to help me run it
3. I run it with my husband
4. I run it with a relative
5. I employ a manager to run the business for me

6.3 Do you employ relatives?
Yes ☐ No ☐

6.4 If yes, do you pay them a salary?
Yes ☐ No ☐

6.5 Do you hold meetings with the people you employ to plan and arrange on how to increase sales and grow the business? If yes, please give a small description of what you do.

_____________________________________________________________________

_____________________________________________________________________

6.6 What factors affect your running of business?

_____________________________________________________________________

_____________________________________________________________________

_____________________________________________________________________

_____________________________________________________________________

_____________________________________________________________________

_____________________________________________________________________

97
6.7 To what extent do the following factors affect the success of your business?

<table>
<thead>
<tr>
<th>Factor</th>
<th>To very large extent</th>
<th>To a large extent</th>
<th>To moderate extent</th>
<th>Less extent</th>
<th>Least extent</th>
</tr>
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<tbody>
<tr>
<td>The use of loans borrowed for the business</td>
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<td>Nature of product and how it is marketed</td>
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<td>Management of the business such as book keeping record</td>
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<td>Employment of relatives</td>
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<td>Personal management and presence at the business</td>
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<tr>
<td>Social cultural hindrances such as gender discrimination</td>
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<tr>
<td>Others</td>
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Thank you for your cooperation.