FACTORS AFFECTING THE PERFORMANCE OF BUSINESSES OWNED BY FEMALE ENTREPRENEURS IN KENYA

BY
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UNITED STATES INTERNATIONAL UNIVERSITY

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

UNITED STATES INTERNATIONAL UNIVERSITY

SPRING 2017
STUDENT’S DECLARATION

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

Signed: ________________________ Date: ____________________

Racheal Wangari (ID 633802)

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

Signed: ________________________ Date: ____________________

Dr. Scott Bellows

Signed: ________________________ Date: ____________________

Dean, Chandaria School of Business
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ABSTRACT

This study was carried out to examine the factors that affect the performance of businesses owned by female entrepreneurs in SMEs. It also examines the characteristics of these entrepreneurs in their enterprises and the ability of the entrepreneurs to operate their businesses at maximum performance. A sample of 60 entrepreneurs was taken for the study using simple random and stratified sampling. The questionnaire collects information on the entrepreneurs’ demographic profiles, the characteristics of the female entrepreneurs running their own enterprises, and the optimization of business performance. After data collection, simple statistical techniques, such as percentages and tables, as well as descriptive statistics like standard deviations and mean were used for data analysis.

The findings of the study demonstrate that the personal characteristics of female entrepreneurs in the SMEs affect the performance of their businesses. It also indicates that lack of own operating premises, stiff competition, financial access, inadequate access to training, access to raw materials and access to technology were the key economic factors that have an influence on the performance of the business owned by female entrepreneurs in Kenyan SMEs. The study also found that social acceptability, conflicting gender roles, and networking with outsiders were the major social factors that affect these entrepreneurs.

Based on the findings, the following recommendations have been made: female entrepreneurs should be given training so that they can run their business more strategically so that they can contribute to the economic growth of the country. The government should also put up policies and make financing more available to encourage more young people and women to set up businesses.
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# TABLE OF CONTENTS

DECLARATION .............................................................................................................i

COPYRIGHT .............................................................................................................ii

ABSTRACT ..................................................................................................................iii

ACKNOWLEDGEMENT ..............................................................................................iv

CHAPTER ONE ..............................................................................................................1

1.0. INTRODUCTION ....................................................................................................1

1.1. Background of the Study ......................................................................................1

1.2. Statement of the Problem .....................................................................................4

1.3. Purpose of the Study ...........................................................................................6

1.4. Research Questions .............................................................................................6

1.5. Significance of the Study .....................................................................................6

1.6. Scope of the Study ...............................................................................................7

1.7. Definition of Terms .............................................................................................7

1.8. Chapter Summary
CHAPTER TWO

2.0. LITERATURE REVIEW

2.1 Introduction ................................................................................. 8

2.2 Characteristics of female entrepreneurs in SMEs ...... 8

2.3 Factors affecting the performance of businesses... 12

2.4 Achieving maximum business performance 18

2.5 Chapter Summary ......................................................... 22

CHAPTER TWO

3.0 RESEARCH METHODOLOGY ........................................ 23

3.1 Introduction ............................................................................. 23

3.2 Research Design ........................................................ 23

3.3 Population and Sampling Design 24

3.3.1 Population ................................................................. 24
3.3.2 Sampling Design ......................................................... 25
3.3.2.1 Sampling Frame .................................................. 25
3.3.2.2 Sampling Technique .......................................... 25
3.3.2.3 Sample Size ...................................................... 25
3.4 Data Collection Methods ........................................... 25
3.5 Research Procedures ............................................... 26
3.6 Data Analysis Methods .............................................. 27
3.7 Chapter Summary ...................................................... 27

CHAPTER FOUR .......................................................... 28

4.0 DATA ANALYSIS ......................................................... 28

4.1 Introduction ........................................................... 28
4.2 Response Rate ......................................................... 28
4.3 Demographic Information .......................................... 27
4.4 Factors Affecting the Performance of Businesses Owned by Female Entrepreneurs .......... 32
4.5 Correlation Table of the Summated Scales ................................................................. 35
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

5.2 Summary of Findings

5.3 Discussion

5.4 Conclusions

5.5 Recommendations

6.0 REFERENCES

7.0 APPENDIX
# LIST OF TABLES

Table 4.1: Gender of the Respondents ............................................................... 28
Table 4.2: Age of the Respondents ................................................................. 29
Table 4.3: Occupation of the Respondents ...................................................... 30
Table 4.4: Education Level of the Respondents .............................................. 31
Table 4.5: Access to Capital ........................................................................... 33
Table 4.6: Whether training affects the performance of the business .......... 33
Table 4.7: Cultural Factors ............................................................................ 34
Table 4.8: Product Program Innovativeness .................................................. 35
Table 4.9: Correlation table of the summated scales .................................... 36
Table 5.0: Multiple regression between performance of businesses (dependent variable) and the predictors ............................................................................................................................... 37
Table 5.1: ANOVA results of the regression analysis .................................... 37
Table 5.2: Regression coefficients of performance of businesses and predictive variables ........... 38
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Gender of the Respondents</td>
<td>29</td>
</tr>
<tr>
<td>4.2</td>
<td>Age of the Respondents</td>
<td>30</td>
</tr>
<tr>
<td>4.3</td>
<td>Occupation of the Respondents</td>
<td>31</td>
</tr>
<tr>
<td>4.4</td>
<td>Education Level of the Respondents</td>
<td>32</td>
</tr>
</tbody>
</table>
CHAPTER ONE

1.0. INTRODUCTION

1.1. Background of the Study

SMEs are the driving force for industrialization the world over. Leading economies such as the United Kingdom and the United States of America have identified that the growth of their economy is because the SMEs. According to Hatega (2007) in Sub-Saharan Africa, small and medium enterprises cover over 95 percent of all organizations. Their essentialness cannot be overestimated.

They have been identified to provide employment for individuals as well as improving their standard of living for both the employees and employers. They also complement the larger scaled organizations in the country, by putting to good use the agricultural raw materials and other resources that would have gone to waste in the larger modern sector. They mobilize resources and are able to better serve the closed or limited markets that only need small scale production.

Small and Medium Scale Enterprises are mostly found in the service sector of various economies which in most countries account for two-thirds of employment levels. In Kenya the SME sector contributes an estimated 18 percent of the GDP as well as creating employment for 80% of the workforce population (Kithae, 2012).

The Small and Medium Scale Enterprises are dominant in the services sector of differing economies, which is found to be accountable for 75 percent of the employment opportunities. The Kenyan SME sector accounts for 18 percent of the national GDP and 80% of the workforce has been employed in this sector (Kithae, 2012).

Despite the acknowledgement of the contributions made by the small businesses towards development, small and medium scale enterprise entrepreneurs have to overcome many obstacles which hinder their development and long term survival. Research has shown that the SME failure rate is higher in developing countries than it is in the developed world. The SMEs has to compete not just with their peers, but also from the larger corporations that are now also taking part in the niche markets that were previously viewed as a preserve for the
smaller businesses that can cater to the more specific needs (Ntakobajira, 2013). One of the key challenges faced by small businesses is the negative perception that is held towards SMEs.

Small businesses are perceived to be lacking the ability to provide consistent quality services by potential clients, and that they do not have the financial muscle to handle multiple projects simultaneously. These clients usually opt to give their business to the larger corporations due to the perceived security that they give, as well as the name brand recognition. The causes of failure for the SMEs include poor management skills, improper planning as well as lack of financing. Despite the high failure rate by Kenyan SMEs, their large contribution to the entire country’s economy cannot be ignored (Kihonge, 2014).

According to Ntakobajira (2013), women are able to empower themselves economically through their productive activities most especially in industry, which also allows them to make a significant contribution to the overall development. Female entrepreneurial activities, especially in SME production activities, whether in the formal or informal sectors not only provide a source of economic empowerment, as well as have a positive impact socially for the women themselves.

Women do not have access to the same opportunities that men do in many societies. Progress has been achieved through allowing women to have access to health protection as well as education. However, other opportunities particularly in the economic and political fields have remained limited. It is necessary to make conscious efforts so as to enable female entrepreneurs to make better informed choices economically that will enable them to make positive changes in the businesses, therefore becoming more competitive in the industry. Improvements made in the business processes will result in the generation of more income and creation of employment opportunities for others (Gemechis, 2007).

Kenyan female owned businesses are hindered by a number of challenges. The main challenges that can be cited include: the lack of skills as well as limited access or completely no access to funding. According to Kihonge (2014) the main objective of the strategy framework in Kenya is to create a conducive environment for female entrepreneurs in small and medium enterprises. Moreover, there is the specific objective of facilitating economic growth as well as bringing forth equal development, strengthening female cooperation in
SMEs, the creation of long-term employment opportunities, give a basis for the SMEs, as well as create balance where there is preferential treatment of the larger enterprises over female entrepreneurs.

According to Kihonge (2014), over 50 percent of female entrepreneurs often encounter gender related challenges in the process of setting up new businesses in addition to running or growing existing businesses. Women are hindered by factors such as religion, culture as well as tradition. There is a lot of challenges as well in borrowing financing from banks, in addition to the informal networks.

The most common challenge usually named is the difficulty women have accessing loans and other financial services. Women primarily rely on “merry-go-rounds” as a way to save and lend money. Merry-go-rounds are informal lending circles women organize with other women in their communities and are common among women market vendors. Each member of the circle contributes a certain small amount of money at a regular interval (usually daily or weekly), and on a regular basis the pooled money is given to one member of the group, in turn (Kihonge, 2014).

While it is possible for women to access formal loans at financial institutions, numerous challenges dissuaded them. Key challenges include the need to show business records, lengthy waiting times following submission of loan applications; the need for collateral; and the common requirement that a male member of the family guarantee the loan (Gemechis, 2007).

Given the difficulty of obtaining individual loans, many women rely on accessing loans in cooperative groups. Accessing group loans, often through merry-go-rounds, is one of the more viable options for businesswomen in Kenya; however, this strategy is not without its disadvantages. Group loans require a great amount of trust among group members and often this trust is lacking. Stories of group members who failed to pay back their loans are common.

According to Gemechis (2007), another key issue that affects businesses run by women entrepreneurs is the many negative cultural stereotypes applied to women who run businesses. Women entrepreneurs are often accused of being prostitutes. Women have to
withstand gossip, name-calling and criticism from both community members and family members, particularly spouses and mothers-in-law. Women reported that their use of cell phones to call customers or suppliers, their mobility and at times needing to work into evening hours – even their higher quality of dress (stemming from improved income) – were cause for suspicion and criticism.

There are other entrenched gender roles and responsibilities that make it a challenge for women to be successful in business: accessibility of day care centers particularly in rural Kenya is a major challenge to women entrepreneurs. Such domestic responsibilities affect the time the woman opens the business and when they close their business. Sometimes even when they are home the accounting and recording time eats into their normal family time.

It is crucial to know the factors that are associated with problems so as to be able to take effective measures to counter the issues. Therefore, the aim of this research is to identify the main factors that affect the performance of female entrepreneurs in operating Kenyan small and medium enterprises, and recommend the necessary corrective measures.

1.2. Statement of the Problem

SMEs are recognized widely for their contribution in political, social as well as economic development. Their important role is most especially clear in the fact that they are able to create affordable goods, services, employment and income for a good number of people. This has therefore allowed increasing interest and concern by the development agencies and government for the optimized performance and expansion of the SMEs (Kithae, 2012).

Most of the SMEs can be categorized as micro enterprises with less than 10 employees, while roughly 70 percent are manned by one person, referred to as own account workers. Therefore, it can be said that most of the small and medium enterprises are function at the bottom of the economy, with a significant 53 percent of Kenyans existing below the poverty line. The poverty line is that of USD 1 on a daily basis. They take part in uncompetitive economic activities, mostly subsistence level, and it is not limited to the rural areas only (Kihonge, 2014).

As mentioned in the introduction above, there are a large number of women in Kenya. But the country does not yet exploit them very well to contribute in economic development. One
of the reasons for this might be the issues that women entrepreneurs in SMEs face. This is supported by different empirical evidences. This affects the businesses owned by women negatively in contributing towards poverty reduction within the country. The small and medium enterprise sector in Kenya is run on a local, small-scale and subsistence level. Because of limited capital, they have few employees, especially in regards to businesses that are run where the entrepreneurs live, they will run their operations for a shorter duration, and have limited access to electricity and clean water. A few of them are able to sell their goods away from home (Ntakobajira, 2013).

Small and medium scale enterprises have operated in total disregard of internal control systems leading to the mass failure of these business organizations. Up to 90% of the business start-ups do not operate beyond the third anniversary due to lack of sound internal control systems (Were, 2011).

Nyalita (2015) in her study of Succession Planning, Entrepreneurial orientation, business development services and performance of small and medium family business in Machakos County concluded that all the above services positively affect the performance of businesses.

Onyango (2012) in her study of Factors affecting the performance of small scale fruit business in Nakuru town center concluded that business location, education and training would equip vendors with knowledge of relevant legislature and adequate skills to enhance profitability and improve the performance of the business. The study further recommended that relevant ministries recognize and support the role of small business and start ups

Muriuki (2009) in his study of challenges affecting the performance of women founded micro enterprises in Nyeri North District found out women face socio-cultural problems and that community members were negative toward women owned businesses. He further concluded that training should be given to women to help improve their profitability and lower the rate of their business from collapsing within a short span of time and borrowing from micro financial institutions should be encouraged.

Therefore, it is crucial for us to have a good understanding of the factors that influence the performance of SMEs in African countries as they are very different from the factors that affect SMEs in the developed countries. These factors include: availability of business
information, access to finance, availability of managerial experience and access to infrastructure (Kithae, 2012).

This study is deemed to fill the gaps by identifying specific factors that are responsible for resilience in SMEs operated by women entrepreneurs, and sheds light on women-specific differentials that affect their performance. Furthermore, the support given by government and private institutions to SMEs will also be assessed.

1.3. Purpose of the Study

The purpose of this study is to assess the major factors affecting the performance of businesses owned by women entrepreneurs in Kenya.

1.4. Research Questions

1.5.1. What are the major characteristics of female entrepreneurs owning businesses?

1.5.2. What are the key economic, administrative, legal and social factors that affect the performance of businesses run by female entrepreneurs?

1.5.3. Are entrepreneurs able to operate their businesses at maximum performance?

1.5. Significance of the Study

It has been documented that there is a positive relationship between the economic growth and the development of small businesses in developed countries. Female entrepreneurs should work on creating their own employment through entrepreneurship because there are limited opportunities for getting employed in private or government organizations (Gemechis, 2007).

To enhance the performance of businesses owned by women, the barriers to women entrepreneurs need to be resolved. The study has the following significances: It gives input for existing entrepreneurs, so as to help solve the issues that businesses run by women entrepreneurs face. It also shows the areas in which government and private institutions can work with SMEs to enhance businesses performance thereby creating more employment opportunities. Moreover, it will also be an addition to existing literature.
1.6. Scope of the Study

This study will be limited to entrepreneurs operating within Nairobi. The study will be carried out for eight weeks in the month of September. The sample size will consist of 60 active male and female entrepreneurs. 30 male entrepreneurs and 30 female entrepreneurs.

Some of the limitations encountered while undertaking the research include the enormous geographical area that Nairobi covers. Choosing of the respondents had to be done through random sampling so as to get a representative sample. Another challenge encountered in the research is the fact that some of the targeted subjects were not willing to become respondents for the questionnaire regardless of the incentives offered. Most of the unwilling subjects were also not open as to why they did not want to fill in the questionnaire.

1.7. Definition of Terms

1.7.1 Micro finance: refers to the provision of financial services to low-income clients, including consumers and the self-employed (Gemechis, 2007).

1.7.2 Cooperatives: association of at least 10 individuals (Kithae, 2012).

1.7.3 Joint ownership: this is a collaboration of two or more individuals who act as partners. (Ntakobajira, 2013).

1.7.4 Micro Enterprise: commercial enterprise whose staff headcount is below 10 (Kihonge, 2014).

1.7.5 Small Enterprise: a business with a staff headcount of 10 up to 50 (Kihonge, 2014).

1.7.6 Medium-sized Enterprise: an enterprise whose staff headcount is above 150 up to 1000 (Kihonge, 2014).

1.8. Chapter Summary

The background of the study has been given expressing the common issues that affect the performance of business owned by women entrepreneurs. The statement of the problem presents the case on why this study should be conducted. The chapter covers the purpose, scope and significance of this study. The terminologies that will be used in the study have also been defined.
CHAPTER TWO

2.0. LITERATURE REVIEW

2.1 Introduction

This chapter examines the varying literature produced in the areas of female entrepreneurs in SMEs, the issues involved in entrepreneurship, factors that affect the performance of businesses owned by female entrepreneurs in SMEs, as well as how to maximize the performance of these businesses.

2.2 Characteristics of female entrepreneurs in SMEs

2.2.1 Female entrepreneurs in Kenya

The support of enterprising SMEs should be one of the highest priority strategies for addressing issues such as abject poverty, empowering women, and reducing the unemployment level in Kenya. The businesses that are run by women contribute toward diversification, competition, economic dynamism, productivity, economic empowerment of the poor as well as innovation to better cater to the niche needs that cannot be catered to by products produced for the mass market. Traditionally, there has been an established tradition of women working in small businesses. However, it is only recently that female entrepreneurship has gotten attention from policy makers and economic planners especially in developing countries such as Kenya. Even though the government has given acknowledgment to the fact that giving support to businesses that are run by women promotes economic empowerment as well as gender equality, most of the businesses that are run by women face several issues including: accesses to resources, institutional support, finance as well as business skills.

According to Kihonge (2014), SMEs run by women in Kenya have to survive against significant odds of failure. Even though it is true that the predominant image of the female Kenyan entrepreneur is one of women struggling financially, other profiles exist. There is the woman who has attained higher education as well as better access to resources, and has as a result been able to grow her businesses. They have actually gotten bigger than the microfinance system yet they are unable to borrow from a majority of banks. There is also the
woman who, due to her previous work experience or higher education and better financial circumstances has access to the resources necessary to start and scale a business. Research has demonstrated that under the right circumstances, women are able to transition from micro to small enterprises.

The following have been identified as the main challenges that Kenyan female entrepreneurs encounter in order of importance: bankruptcy, failure in acquiring loans from commercial banks, limited technical skills, inability to put back profits in investment, low education levels as well as poor managerial skills. Other constraints encountered by female entrepreneurs include: the local population having low purchasing power, inadequate market knowhow, stiff competition, shortage of raw materials, a seasonal business nature, lack of sales outlet as well as shortage of working capital (Kihonge, 2014).

According to a study by ILO (2008), female entrepreneurs do not have equal access to networks. They may have challenges accessing the premises due to factors such as: lack of access to formal finance which forces them to rely heavily on loans from their community and families, lack of inheritance rights and property rights, and lack of collateral such as titled assets for acquiring loans. Female entrepreneurs are usually categorized in specific sectors, especially textiles and food processing. They are not targeted by the business development service providers who do not give them enough effort or time. They do not give flexible options in services delivery when it comes to location and timing. Moreover, women are harassed when they are registering their businesses, and this harassment continues in operation (Kithae, 2012).

2.2.2 Nature of female entrepreneurs

Female entrepreneurs in small and medium enterprises are valuable to most world economies, but is even more important to developing countries, particularly to those that have major income distribution and employment challenges. These entrepreneurs contribute to the creation of employment and to output on the static front. They are a nursery bed for the bigger firms in the future on the dynamic front. They are the next essential progressive step
for growing micro enterprises, they take part in the development of the relevant technology, and they contribute significantly as well as directly to aggregate saving and investment.

With the marketplace becoming more international, numerous companies are coming to find that specialization is the best strategy to achieve prosperity, rather than diversification. While most of the biggest global companies continue to avail multiple services to many markets, they have to buy goods and production components from smaller enterprises that cater to particular niches. Female entrepreneurs provide a tool for economic growth by taking part in the global supply chains (Kithae, 2012).

Researchers have not come to an agreement with regard to the differences between male and female entrepreneurs. There is the group of researchers that concur that the differences do not exist. The other group state that there are differences. One example is Hilbert (2011) who stated that an entrepreneur is an entrepreneur, regardless of their sex, shape, color, or size. If that is the case, research carried out on entrepreneurs should give theory that is applicable to all entrepreneurs. Though research does show some similarities in the demographics of both male and female entrepreneurs, differences exist in industry and business choices, business growth patterns, the pursued financing strategies and the governance structures.

It is due to these differences that we need to study entrepreneurship. We need to study the female entrepreneurs, their enterprises, and their unique behavior. Just as clinical trials run on a homogenous male population cannot provide accurate data for diagnosis and treatment of the female population, scholarly research that has been conducted on male ventures only cannot answer for the female entrepreneurial ventures. It is there important that the female entrepreneurs and their unique characteristics are studied. There exists observable differences in the male versus female enterprises, and this shows off the core differences in motivating factors and goals, strategic orientation, organization as well as access to resources.

According to Hilbert (2011), there are differences in the personal characteristics and background of the entrepreneurs. For the female entrepreneurs, they tend to be first born, daughters of self-employed parents, from middle and upper class families, married with children, with relevant experience in the desired venture, educated to university level. The reasons that attracted women and challenges which acted as the main initiators to entrepreneurship include: discrimination in the workplace, self-determination, slow career
advancement, autonomy, power politics among other organizational dynamics, and family concerns. Other significant concerns cited include wanting to help others as well as to make a positive social contribution.

2.2.3 Differences between male and female entrepreneurs

The differences that were observed between male and female entrepreneurs have been observed by different researchers. Hilbert (2011) stated that men had higher expectations prior to opening the business as well as more business experience, while the female entrepreneurs had a larger household size. The male and female entrepreneurs had similar educational backgrounds, men were more likely to purchase their business than women and they own employer firms. The female entrepreneurs were more likely to have revenues that were positive in nature.

According to Hilbert (2011), male owners were more likely to spend extra time on their businesses and they started their ventures so as to generate revenue, they did a lot more research to spot favorable business opportunities and had higher expectations for their ventures, they were likely to establish ventures that lost their competitive advantages much faster and that were technologically intensive. These ventures by men had a customer base that was less geographically localized. The female entrepreneurs preferred businesses with lower risks and therefore, lower returns.

2.2.4 Benefits of female entrepreneurs in SMEs

With varying definitions in different countries, it may be difficult to understand the importance of female entrepreneurs in SMEs. One may be ignorant of the important roles that women in SMEs play in enhancing development in any particular sector of the country’s economy. They contribute in alleviating poverty, provide frequently used items at more affordable costs, and increase employment. In the past few years, both developing and developed countries have come to realize the importance of women (Kihonge, 2014).

Female entrepreneurship helps the economy by creating wealth for many individuals seeking business opportunities. Although this is not the number one reason individuals pursue entrepreneur activities, it plays a major role in our economy. Both a new business and the wealth the owner can obtain will help boost the economy by providing new products as well
as the spending power created for the entrepreneur. Without entrepreneurs, our economy would not benefit from the boost they give from added business and ideas.

According to Drucker, female entrepreneurs can be referred to as the engine of growth, essential for reducing poverty levels, critical for an efficient and competitive market, and most importantly, they play a crucial role in providing employment opportunities. The female entrepreneurs actually contribute to growth in employment at a surprisingly higher rate than the bigger enterprises. Female entrepreneurs in the private sector may provide most of the employment opportunities in the long term particularly in transition economies while in market economies, they play the role of backbone. Giving support to female entrepreneurs will aid in changing the structure of the larger firms by making the manufacturing complexes more streamlined considering that the units that are analyzed and found to have no direct correspondence to the primary activity will be sold off.

By putting this process into motion, the efficiency of the remaining units in the firm will be further enhanced. Entrepreneurs aid in controlling the monopoly of the larger firms while also giving the complementary services as support and in a modern economy, they help to absorb the regular fluctuations. Through the firms’ cooperation, they are able to explore their innovative nature while also raising the skill level. Therefore, female entrepreneurs are able to create essential benefits in developing a ready service sector that contributes to the country’s GDP while also creating a skilled industrial base.

According to Drucker (2007), further characteristics of female entrepreneurs include the fact that they mostly produce for the local market, generally relying on national resources. With the shift in structure from the large enterprises formerly owned by the state to entrepreneurs in SMEs, there will be a rise in the number of founder owners, a group that reflects increased commitment and responsibility. The rise in the number of female entrepreneurs will increase the working flexibility in the society, provide further opportunities for new skill and ideas to develop, and predominantly enhance domestic technological innovation.

For the success of regional reconversion, a major factor is the development of new business whereby the usual heavy industries will need to be reconstructed or phased out, particularly in fields such as coal mining, metallurgy or military equipment.
2.3 Factors affecting the performance of businesses

2.3.1 The contribution of entrepreneurship

As the international economic landscape is restructured by globalization and with increased uncertainty levels in the world economy brought about by technological change, the dynamic nature of entrepreneurship may be able to aid in arising to tackle the new environmental, economic and social challenges. The world governments consider innovation and entrepreneurship as one of the keys to highly competitive national economies. In fact, innovation policies are linked closely with entrepreneurship policies in most countries, because they have many similar characteristics and challenges. The creation of a new firm is a dynamic process that produces and disperses innovative products, organizational structures as well as processes through the whole economy. However, entrepreneurship policies differ from country to country due to the fact that there are varying policy needs and differing perspectives on the definition of entrepreneurship (Kihonge, 2012).

Schumpeter (2005) supports this stating that entrepreneurship is related to development programs in some countries, and new firms are created so as to increase the employment opportunities and to stimulate output in some of the depressed regions. In some other countries, entrepreneurship is a crucial element of some of the strategies that are designed to ease the participation of particular targeted groups such as the minorities or women in the economy. Though many countries are taking significant steps to support entrepreneurship, the results across countries vary. It is therefore essential that they understand the factors that determine entrepreneurship and the obstacles that need to dealt with, and consequently analyze the various policy approaches and their effectiveness. The making of policies must be guided by facts and evidence.

It is evident that entrepreneurship is crucial for productivity, increasing economic growth and innovation, employment opportunities. In light of this, many countries have made priority the entrepreneurship explicit policy. Entrepreneurial activities have been identified as a key element in economic as well as organizational development, the creation of wealth and performance. According to Hisrich et. al. (2016), entrepreneurship activities have numerous benefits. Entrepreneurs are independent and in charge of themselves, able to make their own decisions on whom they are to do business with as well as choosing the work that they will
do. They are able to choose their hours, how much they should pay as well as when they will take vacations. In addition, entrepreneurship offers increased chances for achieving great financial rewards compared to being employed. It gives the advantage of being able to be involved in all aspects of the business, from the concept, design and production, from sales and distribution to the business processes, dealing with customer feedback as well as the prestige and recognition that comes from being the one in charge. Moreover, the entrepreneur gets the opportunity to build equity which they can decide whether to keep for the next generation or sell it off.

Through entrepreneurship, the person attains the chance to make a positive contribution. The domestic economy gets support from entrepreneurs. Through their innovations, a few entrepreneurs are able to contribute to the entire society. It stimulates economic growth and changes in the economy. It also raises the per capita income as well as output. This is done by starting and being part of the change in the society and business structure. The end result of entrepreneurship is that there is an increase in the nation’s productivity and output. In addition, innovation and creativity are stimulated. New products and services are developed so as to serve the market needs and wants. There is increased investment interest in the new ventures that showcase their innovative ideas; new investments are also made available for the newer ventures. Through all this expansion, there is the creation of new jobs which leads to a reduction in the rate of unemployment. This results in the promotion of wealth distribution (Kihonge, 2014).

Entrepreneurship helps boost the economy by generating wealth for numerous individuals who look for business opportunities to exploit. Though this may not be main reason why people undertake entrepreneurial activities, it plays a key role in the country’s economy. Both the wealth attained by the owner as well as the new business help the economy by creating new products in addition to increasing the entrepreneur’s spending power. The economy would be disadvantaged without the entrepreneurs who bring in fresh business as well as ideas.

Kihonge (2014) states that the setting up of a new business can be a rewarding experience. By being in charge, entrepreneurs have much more control over their own schedules and working conditions than they would have had they been working in someone else’s
organization. They are unable to undertake new projects without having to wait for approval from others. In case they come up with an innovative idea about a specific service or product which they think would be of interest and of service to others, they can start up project around that idea. By being creative and undertaking projects that they enjoy, the entrepreneur is able to make profits.

In spite of all these advantages, entrepreneurship has its own challenges. Ntakobajira (2013) classified the factors that entrepreneurs face into two categories, and these are social and economic. The social factors include the existence of class bias and having few contacts outside that prejudice, little social acceptability, relations with the employee work force, and the attitude held by the other employees. The economic factors are: limited access to the market, stiff competition, limited access to production raw material, the lack of adequate marketing knowledge and business training, poor infrastructure, lack of access to capital and limited power supply.

Other critical factors that affect the success of the entrepreneur include: the access to entrepreneurship education, social attitude that is held towards female entrepreneurship, the available business support, administrative and regulatory framework, as well as limited access to technology (Hisrich et. al, 2016).

When compared with the larger firms, female entrepreneurs have a much closer relationship with their customers and employees, they have much more flexibility and operate with lower overhead, because their smaller size enables them to take up new materials, processes, products and services, and they can do so at a faster rate. However, due to the obstacles faced by the female entrepreneurs which restricts their activities, the end result is that their development and promotion is also constrained. The SMEs are unable to tackle the issues that they encounter on their own, even in the market economies that operate effectively. These issues include: limited access to markets, access to the relevant technology, the legal and regulatory environment, discriminatory regulatory practices, limited knowledge and management skills, lack of financing and business premises (Ntakobajira, 2013).

Furthermore, Ntakobajira (2013) states that due to the limited support systems and organized policies for female entrepreneurs, they encounter several challenges with the major ones being lack of operating premises, inconsistent supply to raw materials as well as policy and
structural problems. Moreover, due to cultural influence, there prevailed a negative public attitude toward the importance of the entrepreneurship sector. It is due to those issues that the available SME training services are few and fairly weak. The training services and information disseminated are limited, and so is formal counseling. These services tend to be free and not demand driven.

According to Ntakobajira (2013), small and medium enterprises play a key role when it comes to generating employment, reducing poverty as well as stimulating economic development in developing countries like Kenya. For greater growth, there needs to be partnership with the private and government organizations. There needs to be integration in teaching the appropriate skills and knowledge for entrepreneurs in creating business plans as well as the management of their SMEs. It is necessary to develop more incubator training centers in the universities so as to enhance the understanding of the students.

The sustainable development of the SMEs should be key aspect of the learning process as well as government plans. For successful active learning, administration teachers are important. For students to learn and increase their knowledge and skills and to create a positive attitude toward entrepreneurship, there needs to be: mentors, counselors, managers, and advisors who facilitate the learning process (Kihonge, 2014).

2.3.2 Economic, administrative, legal and social factors that affect performance

The factors that affect women entrepreneurs directly affect the performance of their businesses. Female entrepreneurs have increased in number globally steadily over the last decade and in many parts of the world, the entrepreneurial potential of women is increasingly made positive contributions to rural economies. However, there are problems that still exist (Mahbub, 2006).

According to Mahbub (2006), access to financing and credit is a major issue for women when starting up an enterprise. Compared with men, women have less opportunities than men in accessing credit for a variety of reasons which include: female entrepreneurs are perceived negatively by the loan officers, household assets are not acceptable as collateral and they do not have the required collateral.
For successful breaking into new markets, contacts, expertise and knowledge are necessary. Usually, women do not have the access to training and they lack experience on how to operate in the marketplace. They are therefore unable to make strategic decisions about their goods and services. As a result, female owned SMEs are usually not able to produce and market their own products. Moreover, due to their lack of exposure to the international market, they do not have the essential knowledge of what is internationally acceptable. A key obstacle that challenge numerous SMEs, especially female owned businesses, is the high cost of building new business contacts and relationships. Moreover, women may be afraid of or they may encounter sexual harassment or prejudice, and their ability to travel so as to make contacts may be restricted (Ntakobajira, 2013).

In addition, women have less knowledge of the proper ways to handle government bureaucracy, tend to have fewer business contacts, and they have less bargaining power. All these factors inhibit their progress. Due to the fact that female entrepreneurs function on the smaller scale and are therefore not members of professional networks. This limits their ability to access new information. Usually, the networks are exclusively dominated by men, and in the case where a woman does make it into the network, most of the organized activities are held after work hours which makes the woman’s job more difficult. The lack of access to good networks is a big disadvantage to the women as they lack the exposure to good mentors. Few women are given invitations to join trade delegations, due to the invisibility of sectors that are dominated by women as well as individual women within any particular sector (Mahbub, 2006).

Most women lack representation in bodies that make policies and they have limited access to the policymakers. Therefore, men and larger firms have the advantage of being able to more easily have access to the policymakers and there have an influence on policy because they are perceived to be more in their league. Women usually encounter a glass ceiling in mainstream business organizations whereby they may not feel that they belong to or even capable of reaching the leadership positions. They are limited to lobbying if they want to give their input into policymaking. Their restriction in accessing information may limit their ability to give input as well (Kihonge, 2014).
According to Ntakobajira (2013), the main factors that influence female entrepreneurs’ performance particularly in developing nations include: limited access to assets such as land, inadequate management skills, vulnerability to the negative effects of the trade reform, inadequate awareness on entrepreneurship as a viable career option among young women, lack of mobilization among women entrepreneurs, conflicting gender roles, inadequate information on how to take advantage of opportunities, and inappropriate technology.

Though female entrepreneurs in SMEs make a significant positive contribution towards the nation’s economic development, they are affected by several challenges. This is due to the lack of sufficient support for the women from government and private institutions. For example, according to Ntakobajira (2013), female entrepreneurs in SMEs are affected by difficulty in gaining access to financial resources, inadequate entrepreneurial, marketing and managerial skills, bureaucracy and red tape, lack of accessibility to information and knowledge.

Other factors that affect female entrepreneurs include: inadequate awareness, non-conformity to standardization, language differences and cultural differences, differences in the range and usage of products and services. There is also stiff competition of domestic SMEs in foreign markets, risk involved in selling abroad, lack of government support, aggressive behavior from multinational companies against the indigenous SMEs. There is inadequate incentives from the government for SMEs to internationalize, the trade documentation process which concerns packaging and labeling is complex and there is harsh legal and regulatory environments. Moreover, there is lack of sufficient protection for intellectual property as well as discriminatory regulatory practices. They also lack affordable business premises and have limited access to the relevant technology.

2.4 Achieving maximum business performance

Organizational performance can be judged by many different constituencies, resulting in many different interpretations of successful performance. Each of these perspectives of organizational performance can be argued to be unique (Ntakobajira, 2013). Performance management can take many forms from dealing with issues internal to the organization to catering to stakeholders or handling issues in its environment.
Business performance can be defined as the set of activities conducted by a business enterprise to provide goods and services. The latter can be referred to as the business results. So as to maximize business performance, it is essential that we take into consideration the people, systems, customers, operations, management as well as partners. These factors can be summarized into financial, operational and employee performance (Mbogo, 2011).

According to Jyoti and Sharma (2012), in operational performance, businesses avail customers with quality services so that they can attain internal benefits such as growth of market share, productivity, increase in sales volume, business growth, as well as reduced complaints from customers. When it comes to employee performance, this aspect can be observed through employee participation, their level of efficiency, absenteeism, and satisfaction level.

In the context of organizational financial performance, performance is a measure of the change of the financial state of an organization, or the financial outcomes that results from management decisions and the execution of those decisions by members of the organization (Mbogo, 2011). Since the perception of these outcomes is contextual, the measures used to represent performance are selected based upon the circumstances of the organizations being observed. Financial performance is reflected through sales volume, profits as well as growth in profitability.

Maximizing the performance of the businesses is done through maximizing the three strategic capabilities. These include: market orientation, entrepreneurial orientation and innovation orientation. These capabilities are responsible for creating competitive advantage, and hence maximizing business performance.

2.4.1 Market orientation

Market orientation involves making the customer the central point of the business’ complete operation. The business should systematically and completely commit itself to the dynamic creation of the best customer experience with superior value. In addition to that, the satisfaction and happiness of the external customer relies on the fulfillment of the firm’s internal customer. Firms that are market-oriented convey the organization’s purpose and pinpoint the employees’ roles therefore optimizing the working environment which improves
employee satisfaction. Moreover, by pursuing market orientation, the result is that the employees get a sense of pride from feeling that their contribution to the business is worthwhile (Jyoti & Sharma, 2012).

Employee satisfaction is the degree to which the business employees feel that their own interests are taken into account by the management. In turn, they will improve the manner in which they perform their tasks much more efficiently, to better meet customers’ needs. Customers are an essential asset of the firm. Customer satisfaction refers to the setting of quality goals, which are derived from the customers’ needs (Jyoti & Sharma, 2012).

Marketing orientation consists of three components: interfunctional coordination, competitor orientation and customer orientation. Market orientation has a positive influence on the organizational performance. There is value creation on the side of the employees through reducing the buyer’s cost relative to their benefit from the product or alternatively through giving even more benefits relative to the buyer’s buying cost. By creating their competitive advantage through the provision of superior customer value, there will be an improvement in the organizational performance (Kumar et. al., 2011).

This market orientation is best suited to markets in which the customers’ tastes and preferences evolve dynamically. Several research studies have found that the importance of the market-oriented culture rises in dynamic markets, and its importance reduces in the more technologically turbulent markets (Paladino, 2008; Kumar et. al., 2011)

2.4.2 Entrepreneurial orientation

Entrepreneurial orientation refers to the behaviors and processes of an organization which results in a new or existing product entry in a new or established market. This is done in response to future market needs. This orientation involves the ability to innovate, assume risks, and to show a proactive instead of reactive attitude when it comes to the creation of new proposals that will effectively push the firm ahead of the competing firms. The three factors involved in entrepreneurial orientation include: innovativeness, risk taking and proactiveness. (Gutierrez et. al, 2014).
According to Gutierrez et al. (2014), due to the fact that SMEs foster close tightly-knit relationships with the customers, this enhances the accurate identification and exploitation of the customer’s wants and needs. Female owned businesses tend to be smaller and with less formal structures than the male businesses therefore they have a particular advantage in this regard. This facilitates fast efficient dissemination of the customers’ knowledge in the organization. This market focus enables efficient implementation of the organizational strategies, resulting in increased business performance.

2.4.3 Innovation Orientation

The term innovation can be defined as the developing and adoption of changes that are new to an industry. In learning orientation, the firms tend to dedicate resources to most, if not all, departments of the firm so as to specifically motivate and enhance the conceptualization, development as well as implementation of new ideas and innovations. These firms are said to have an overarching knowledge structure (Siguaw et al., 2006).

The key competencies in innovation oriented firms include: technology, employees, markets, resource allocation, and operations. Manufacturing businesses gain more benefits from novel innovations while on the other hand, the service firms attain more business growth through incremental innovations. This is because the development of the service is more challenging and complex. Due to their flexible nature, services cannot be created through standardized processes therefore, are difficult to reproduce consistently and repeatedly. Moreover, services need to be customized to meet each unique customer’s needs and expectations, this makes it difficult to differentiate between service innovation and service variation. Another challenge to service innovation is that they cannot undergo pretesting before their market launch. Manufacturing firms are therefore, more involved in innovation projects (Gutierrez et al., 2014).

According to Siguaw et al. (2006), the key elements in innovation orientation include: offensive strategy rather than defensive, a sense of pride in the members of the organization, risk orientation rather than maintaining the status quo, a value is placed on innovation, as well as a sense of enthusiasm about their skills and capabilities. The innovation oriented firm has both an openness to innovation, as well as a capacity to innovate.
Innovation-oriented culture ultimately leads to increased business performance. The causal chain begins with the innovation-oriented values which have a positive impact on the norms that are similarly oriented, and these norms in turn also have a significant, positive impact on artifacts. Artifacts are the tangible cultural manifestations that hold a symbolic meaning, used to guide and justify the firm’s direction toward more innovations. These artifacts have a mediating effect; they act as the valve through which innovation orientation affects product program innovativeness. In turn, product program innovativeness has a significant, positive impact on the performance of the firm. Innovation orientation therefore ultimately has an influence on the performance (Stock, 2013).

Performance management involves the use of both quantitative and qualitative techniques and paying due attention to the human (behavioral) side of the enterprise. Market oriented firms are able to combine that particular capability with entrepreneurial orientation as well as innovation orientation. Competitive advantage is created and maintained through paying attention to the needs of employees, market power as well as delivering products and services that meet the customers’ expectations (Mbogo, 2011).

All organizations should target the ideal standard of performance namely: consistently competent, ethical, and energetic behavior that always succeeds in producing the best results. A developed system enables managers to develop systematic ways to manage future performance; for example, planning, performance forecasting and target setting (Ntakobajira, 2013).

2.5. Chapter Summary

The background of the study has been given expressing the common issues faced by women entrepreneurs. The statement of the problem presents the case on why this study should be conducted. The chapter covers the purpose, scope and significance of this study. The terminologies that will be used in the study have also been defined. The following chapter discusses the research methodology to be used.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

In this chapter the research design used, the data gathering methods and tools; sampling and sampling procedures and the methods of data analysis are discussed very well. The chapter looks at the methods that were used in the study. It is structured into research design, population of study, sample, data collection and data analysis, pilot study, validity and reliability. It starts by explaining the research design that was adopted. According to Bryman and Bell (2011) a central part of research is to develop an effective research strategy.

The philosophical paradigm of positivism was used for this study. A central part of research is to develop an effective research strategy or design. It contains clear objectives, research hypothesis and specified the sources from which data was collected as well as considered the constraints that were inevitably faced. The scholar used this philosophy because the study was descriptive in nature.

3.2 Research Design

A good research design will have a clearly defined purpose, and will have consistency between the research questions and the proposed research method. It can also be defined simply as the framework or blue print for the research (Bryman & Bell, 2011).

The research design is a framework for the collection and analysis of data that is suited to the research questions. Rogers (2012) defines research design as the scheme, outline or plan that is used to generate answers to research problems. It constitutes the blueprint for the collection, measurement and analysis of data.

A good research design will have a clearly defined purpose, and will have consistency between the research questions and the proposed research method. Greener and Martelli (2013) define this as simply the framework or blue print for the research. It is a framework for the collection and analysis of data that is suited to the research questions. It is the scheme, outline or plan that is used to generate answers to research problems. It constitutes the blueprint for the collection, measurement and analysis of data.
A descriptive survey research design is employed in the study to assess the key factors that affect the performance of women entrepreneurs in SMEs in Kenya. The reason for using this design is that it enables to describe the different factors that affect the performance of women entrepreneurs in SMEs as they exist.

Descriptive designs are not only restricted to fact finding but may often result in formulation of important principles of knowledge and solutions to significant problems. This design is the best suited for the study because there is no prior documented study on the factors that influence women entrepreneurs to start enterprises in male dominated sectors in Kenya. The scholar uses exploratory and descriptive research designs to establish the factors that influence women entrepreneurs to start enterprises, these designs were used to explore women entrepreneurs social networks, education, skills experience, access to finance and the legal and regulatory environment that encourage them to start enterprises and the factors that affect them (Greener & Martelli, 2013).

3.3 Population and Sampling Design

3.3.1 Population

The next step in the research design is to identify and select the sample population to be used in the study. Sampling and selection is the means by which a researcher identifies and selects and gains access to the appropriate subjects (Bryman & Bell, 2011). Population refers to the entire group of people or things of interest that the researcher wishes to investigate. A population as an entire group of individuals or objects having common observable characteristics. It is the aggregate of all that conforms to a given specification (Greener & Martelli, 2013). This study was carried out in Nairobi County.

The population to be engaged is the entrepreneurs who are based in Nairobi County. There is a population of 6,700,000 in Nairobi, whereby some are registered entrepreneurs while many others operate informally.
3.3.2 Sampling Design

3.3.2.1 Sampling Frame

A sample is defined as a segment or subset of the population that is selected for analysis. Representative sample is one that accurately reflects the population being sampled. The sampling frame is the source list from which the sample is drawn and contains the names of all items. It is a list, directory or index of cases from which a sample can be selected (Bryman & Bell, 2011).

The sampling frame for the study consisted of the entrepreneurs based in Nairobi County who had been in business for a period longer than one year. The following detailed criteria is used to select a representative sample for the study; the subject has to be a female entrepreneur, the female entrepreneur has to be owner/manager of the business, the business has to be registered, if it is a partnership, the partner has to be female as well.

3.3.2.2 Sampling Technique

Sampling allows a researcher to reduce the amount of data that they need to collect by examining only a subgroup of the total population. Random sampling technique is adopted to get a representative sample. In this technique, each member of the population has an equal chance of being selected as subject. The entire process of sampling is done in a single step with each subject selected independently of the other members of the population (Greener & Martelli, 2013).

3.3.2.3 Sample Size

The sample of the study consists of 60 entrepreneurs who work in different sectors of SMEs. For selecting these samples of entrepreneurs, stratified sampling will be used in which the 5 key sectors including textile, food and beverage, construction, agriculture and cosmetology will be studied.

3.4 Data Collection Methods

Primary sources of data will be used for the study.
In this research process three methods will be used to acquire primary data, namely: interviews, discussion and observations. The interview schedule will be the main method used to collect primary data. Both open-ended and structured questionnaires are to be administered. The interview schedule will be administered by researcher. A discussion will be held to assess what are considered as major constraints for SMEs in their area of business. Observation method is to be adopted for clarifying information received from the respondents.

3.5 Research Procedures

In order to answer the basic questions raised, a 40 item questionnaire that has 4 parts has been prepared. The first part consists of demographic profile of the respondents which is designed in a close ended format. The second part covers the characteristics of entrepreneurs in SMEs and their enterprises which is also prepared in a close ended format. The third and the fourth parts both designed using Likert scale, address issues of key factors that affect women entrepreneur’s performance in SMEs and support areas respectively. The Likert scale ranges from ‘strongly agree’ to strongly disagree’ (5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree, see appendix A) so as to not limit the response of respondents to some limited ranges.

The questionnaire has been prepared in English language based on the literature review and some adaptations from prior researches. According to Bryman and Bell (2011), taking the number of items in the questionnaire and the characteristics of respondents, the value can verify the reliability of the tests. In addition, it was checked for grammar and other spelling errors using language and measurement professionals. The questionnaire will be distributed to the whole sample of women entrepreneur respondents.

Moreover, in order to get detail information from limited number of respondents, the researcher will conduct structured interviews with top officials. Interviews in all cases will be conducted in their offices and their responses will be recorded.
3.6 Data Analysis Methods

After the data has been collected, it will be coded and fed to excel sheet so as to simplify further tasks. The respondents’ scores will be summarized from the sheet and made ready for analysis. After that, it will be analyzed using both descriptive statistical techniques and descriptive narrations. The demographic profiles and items related to characteristics of women entrepreneurs were analyzed using simple statistical tools such as tables and percentages. Descriptive statistics (mean and standard deviations) of the respondent scores will be computed for the Likert statements and analyzed by comparing these mean scores and deviations among respondents. The reason for using descriptive statistics is to compare the different factors that affect the performance of women entrepreneurs in SMEs by the means and standard deviations of scores. The interview questions will be analyzed using descriptive narrations.

Data from the respondents will be analyzed and translated into useful information using percentages and the statistical package for social sciences (SPSS) to get the mean, variances and correlations. Frequency distributions and tables will be used to draw conclusions.

3.7 Chapter Summary

This chapter defines the research design to be used in conducting the research. The population and sample sizes are then defined so as to give the details of the scope of study. Following that, the suitable data collection methods are identified, research procedures discussed in detail, and the method of analyzing the data is given. The following chapter will look at the results and findings of the study.
CHAPTER FOUR

4.0 DATA ANALYSIS

4.1 Introduction

This chapter analyzes the qualitative data collected through quantitative analysis. The chapter analyzes the characteristics of the respondents, the factors that affect the performance of businesses and maximizing performance. The data is presented in pie charts, graphs and tables.

4.2 Response Rate

The study targeted 60 respondents in collecting data with regard to factors that influence the performance of businesses owned by female entrepreneurs. From the study, 49 respondents out of the 60 sample respondents filled-in and returned the questionnaires making a response rate of 81%. This reasonable response rate was achieved after the researcher made personal calls and physical visits to remind the respondent to fill-in and return the questionnaires.

4.3 Demographic Information

These are the information on characteristic of the respondents. They included gender, age, occupation and educational qualifications.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>25</td>
<td>51</td>
</tr>
<tr>
<td>Female</td>
<td>24</td>
<td>49</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>100</td>
</tr>
</tbody>
</table>

*Table 4.1: Gender of the Respondents*
The study sought to find out the gender of the respondents. According to the findings illustrated in Table 4.1, 51% of the respondents were male while 49% were female.

![Gender](image)

*Figure 4.1: Gender of the Respondents*

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 20</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>20-30</td>
<td>23</td>
<td>47</td>
</tr>
<tr>
<td>31-45</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>45-60</td>
<td>18</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>100</td>
</tr>
</tbody>
</table>

*Table 4.2: Age of the Respondents*

It was important for the study to establish the age of the respondents. From the findings illustrated in Table 4.2, 14% of the respondents were below 20 years, 23% were between 20-30 years, 2% were between 31-45 and lastly 37% were between the age of 40-60. There were zero respondents above 60.
**Figure 4.2: Age of the Respondents**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>49</td>
<td>100</td>
</tr>
<tr>
<td>45-60</td>
<td>20</td>
<td>42</td>
</tr>
<tr>
<td>31-45</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>20-30</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Below 20</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Salaried</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Professional</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>Business</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Student</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Retired</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Housewife</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*Table 4.3: Occupation of the Respondents*

The study sought to find out the other occupation of the respondents. According to the findings illustrated in Table 4.3, 20% of the respondents were salaried, 28% were professionals, 14% were into business and 38% were students. None of the respondents were retired or housewives.
The study sought to find out the education levels of the respondents. From the findings illustrated in Table 4.4, half (10%) of the respondents had been to high school, 53% of the respondents had education up to graduate level, 9% of the respondents were professionals and others.
The female entrepreneurs face a number of constraints like access to capital, training, cultural factors and product program innovativeness to improve their business performance / income and standard of living. Respondents were asked to provide answers each item that was measured by a five point Likert scale ranging from 1-5. From the tables below, means and standard deviations were used to test the respondent’s ideas where standard deviation is the square root of the variance. It measures the spread of a set of observations. The larger the standard deviation is, the more spread out the observations are while mean is the arithmetic mean across the observations. It is commonly called the average.

![Education Level of the Respondents](image)

**Figure 4.4: Education Level of the Respondents**

**4.4 Factors Affecting the Performance of Businesses Owned by Female Entrepreneurs**

The female entrepreneurs face a number of constraints like access to capital, training, cultural factors and product program innovativeness to improve their business performance / income and standard of living. Respondents were asked to provide answers each item that was measured by a five point Likert scale ranging from 1-5. From the tables below, means and standard deviations were used to test the respondent’s ideas where standard deviation is the square root of the variance. It measures the spread of a set of observations. The larger the standard deviation is, the more spread out the observations are while mean is the arithmetic mean across the observations. It is commonly called the average.
4.4.1 Access to Capital

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial surplus</td>
<td>3.98</td>
<td>0.721</td>
</tr>
<tr>
<td>Human Resource</td>
<td>4.01</td>
<td>0.728</td>
</tr>
<tr>
<td>Sufficient Compensation</td>
<td>3.89</td>
<td>0.827</td>
</tr>
<tr>
<td>Sufficient Resource</td>
<td>4.21</td>
<td>0.717</td>
</tr>
</tbody>
</table>

*Table 4.5: Access to Capital*

From the above table sufficient resource as an indicator for access to capital had a mean of 4.21, human resource had a mean of 4.01 followed by financial surplus with a mean of 3.98, sufficient compensation had a mean of 3.89.

4.4.2 Training

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase Productivity</td>
<td>4.09</td>
<td>0.716</td>
</tr>
<tr>
<td>Multipurpose Character</td>
<td>3.98</td>
<td></td>
</tr>
<tr>
<td>Objectives Knowledge</td>
<td>2.89</td>
<td>0.9</td>
</tr>
<tr>
<td>Respond to needs</td>
<td>3.28</td>
<td>0.7</td>
</tr>
<tr>
<td>Meet the future Demands</td>
<td>3.82</td>
<td>0.67</td>
</tr>
</tbody>
</table>

*Table 4.6: Whether training affects the performance of the business*

From the above table, increased productivity registered a mean of 4.09 followed, by multipurpose character with a mean of 3.98, meeting the future demands exhibited a mean of 3.82, respond to needs showed a mean of 3.28 and lastly objectives knowledge showed a mean of 2.89.
### 4.4.3 Cultural factors

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dynamic Workplace</td>
<td>3.28</td>
<td>0.76</td>
</tr>
<tr>
<td>Innovator Head</td>
<td>3.82</td>
<td>0.67</td>
</tr>
<tr>
<td>Measurable Goals</td>
<td>3.78</td>
<td>0.71</td>
</tr>
<tr>
<td>Emphasis on Growth</td>
<td>3.72</td>
<td>0.72</td>
</tr>
<tr>
<td>Structured Workplace</td>
<td>4.04</td>
<td>0.91</td>
</tr>
<tr>
<td>Administrator Head</td>
<td>3.77</td>
<td>0.62</td>
</tr>
<tr>
<td>Product Orientation</td>
<td>3.72</td>
<td>0.67</td>
</tr>
</tbody>
</table>

*Table 4.7: Cultural Factors*

From table 4.7, structured workplace as an indicator showed the highest mean of 4.04, innovator head had a mean of 3.82, measurable goals had a mean of 3.78, and administrator head had a mean of 3.77. Both emphasis on growth and product orientation paired the same with a mean of 3.72

### 4.4.4 Product Program Innovativeness

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Many Innovations</td>
<td>3.77</td>
<td>0.72</td>
</tr>
<tr>
<td>Innovation Plan</td>
<td>3.88</td>
<td>0.72</td>
</tr>
<tr>
<td>Unique Advantage</td>
<td>4.01</td>
<td>0.817</td>
</tr>
<tr>
<td>Higher Quality</td>
<td>3.99</td>
<td>0.712</td>
</tr>
<tr>
<td>Higher Value</td>
<td>3.77</td>
<td>0.672</td>
</tr>
<tr>
<td>Solve problems</td>
<td>3.62</td>
<td>0.711</td>
</tr>
<tr>
<td>Cost Savings</td>
<td>3.72</td>
<td>0.621</td>
</tr>
<tr>
<td>Simplify progress</td>
<td>3.22</td>
<td>0.76</td>
</tr>
<tr>
<td>High Benefits</td>
<td>3.22</td>
<td>0.726</td>
</tr>
</tbody>
</table>

*Table 4.8: Product Program Innovativeness*
From table 4.8, unique advantage as an indicator exhibited a mean of 4.01 followed by higher quality with a mean of 3.99. Innovation plan showed a mean of 3.88. Higher value and many innovations paired the same with means of 3.77. Cost savings had a mean of 3.72 and lastly simplified progress and high benefits showed the same mean of 3.22.

4.5 Correlation table of the summated scales

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Pre</th>
<th>Post</th>
<th>Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training</td>
<td>49</td>
<td>30(58.8)</td>
<td>16.71</td>
<td>386*</td>
</tr>
<tr>
<td>Access to Capital</td>
<td>49</td>
<td>33(5.9)</td>
<td>14.3</td>
<td>.244*</td>
</tr>
<tr>
<td>Cultural Factors</td>
<td>49</td>
<td>27(3.3)</td>
<td>12.5</td>
<td>.208</td>
</tr>
<tr>
<td>Product Program Innovations</td>
<td>49</td>
<td>20(7.2)</td>
<td>9.5</td>
<td>-.013</td>
</tr>
</tbody>
</table>

*Table 4.9: Correlation table of the summated scales*

Pearson Product –moment correlations were used to establish the relationship between the independent and dependent variables. Results presented in the table above shows that for the factors there was significant and positive correlation between performance and the various factors.

There was a significant and positive correlation between training and performance, indicating that those who reported believed training was a key factor influencing business performance. There was a significant and positive correlation between performance and access to capital.
indicating that access to capital influenced business performance. There was also significant and positive relationship between cultural factors and business performance at .208. There was also significant and negative correlation between product program innovativeness and business performance though this factor was the smallest value amongst the other three.

4.6 Regression analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 17.0) to code, enter and compute the measurements of the multiple regressions.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>Std. Error of the R Square</th>
<th>Adjusted R Square</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.893</td>
<td>.797</td>
<td>.714</td>
<td>.1953</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Access to Capital, Training, Cultural Factors, Product Program Innovativeness.

*Table 5.0: Multiple regression between performance of businesses (dependent variable) and the predictors*

R-Square (coefficient of determination) is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted $R^2$ also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. 71.4% of the changes in the performance of businesses run by female variables could be attributed to the combined effect of the predictor variables.
<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>12.236</td>
<td>4</td>
<td>3.112</td>
<td>3.263</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>92.936</td>
<td>82</td>
<td>.641</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>115.081</td>
<td>86</td>
<td>.641</td>
<td></td>
</tr>
</tbody>
</table>


b. Dependent Variable: Performances of businesses run by female entrepreneurs.

Table 5.1: ANOVA results of the regression analysis

The probability value of 0.0001 indicates that the regression relationship was highly significant in predicting how access to capital, training, cultural factors, product program innovativeness influenced performance of businesses run by female entrepreneurs. The F critical at 5% level of significance was 3.263 since F calculated is greater than the F critical (value = 2.830), this shows that the overall model was significant.

The regression equation above has established that taking all factors into account constant at zero performance of businesses run by female entrepreneurs will be 4.835. The findings presented also show that taking all other independent variables at zero, a unit increase in Training would lead to a 0.792 increase in the performance of businesses run by female.

The following table presents information on the regression coefficients of performance of businesses and the independent predictive variables.
<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>1  (Constant)</td>
<td>4.835</td>
<td>0.521</td>
</tr>
<tr>
<td>Access to Capital</td>
<td>+0.628</td>
<td>0.231</td>
</tr>
<tr>
<td>Training</td>
<td>+0.792</td>
<td>0.159</td>
</tr>
<tr>
<td>cultural factors</td>
<td>+0.581</td>
<td>0.193</td>
</tr>
<tr>
<td>Product</td>
<td>Program</td>
<td>+0.361</td>
</tr>
</tbody>
</table>

Innovativeness

a. Dependent Variable: performance of businesses run by female entrepreneurs

**Table 5.2: Regression coefficients of performance of businesses and predictive variables**

Further, the findings shows that a unit increases in access to capital would lead to a 0.628 increase in performance of businesses run by females. In addition, the findings show that a unit increase in cultural factors would lead to a 0.581 increase in performance of businesses run by female entrepreneurs. The study also found that a unit increase in the scores of product program innovativeness would lead to a 0.361 increase in performance of businesses run by female entrepreneurs.

**4.7 Chapter Summary**

The main objective of the study was to examine the factors that affect the performance of businesses owned by female entrepreneurs. The data has been contrasted with performance of male entrepreneurs. Qualitative data was analyzed through quantitative analysis. Graphs, pie charts and tables were used to present the data. The questionnaires were dropped and later picked at a later date to allow the respondents to feel the questionnaires at their own time. Once the respondents answered the questionnaire, data was then coded and analyzed using SPSS.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter provides the summary of the findings from chapter four, and it also gives the conclusions and recommendations of the study based on the objectives of the study. The objectives of this study were to assess the factors that affecting the performance of businesses run by female entrepreneurs.

5.2 Summary of Findings

The study aimed at determining the extent to which access of capital affected the performance of businesses run by female entrepreneurs. It also aimed at assessing the influence of access to capital, training, cultural factors and product program innovativeness on the performance of businesses run by female entrepreneurs.

The indicators for access to capital include the availability of financial surplus, human resources, sufficient compensation as well as resources. There was a significant and positive correlation between performance and access to capital indicating that access to capital influenced business performance at ($\beta = 0.628$, $p < .01$). This means that there is a positive relationship between access to capital and business performance. As access to capital increases or decreases, the business performance increases or decreases with it.

There was a significant and positive correlation between training and performance at ($\beta = 0.792$, $p < .01$) indicating that those who reported believed training was a key factor that had an influence on business performance. The top indicators for cultural factors include structured workplace, innovator head and measurable goals. There was significant and positive relationship between cultural factors and business performance, which has a coefficient of $r=0.581$, which is also significant at $p<.01$ level.

There was also significant and positive correlation between product program innovativeness and business performance though this factor was the smallest value amongst the other three. Product program innovativeness is positively related to the performance at ($\beta = 0.361$, $p < .01$).
5.3 Discussion

5.3.1 Factors that affect business performance

There was significant and positive relationship between cultural factors and business performance at .208. This shows culture has an impact on female business performance. This result supports a similar study on the impact of product market strategy-organizational culture fit on business performance (Yarborough et. al., 2010). Their results supported their hypotheses linking a business’s strategy-culture fit with both its customer satisfaction (β =−.21, p < .05) and performance (β = −.23, p < .01). Corporate culture is a key method for businesses to use to get involved in innovation.

There was a significant and positive correlation between training and performance, indicating that those who reported believed training was a key factor influencing business performance. This positive result is comparable to the results of a similar study done on training and business performance. Garcia (2005) found out that there was a high correlation between giving training with the goal of achieving human capital development with employee satisfaction, and finally productivity.

There was a significant and positive correlation between performance and access to capital indicating that access to capital influenced business performance. According to Praag et. al (2005), he found that entrepreneurs who suffer capital constraints in their initial business investment had 63% lower profits, and their survival rate is lower than those who had adequate capital. This supports the finding of our study.

There was also significant and positive correlation between product program innovativeness and business performance though this factor was the smallest value amongst the other three. This means that a firm that has an innovation-oriented corporate culture ultimately improves the business performance. This is in line with Stock et. al (2012), who found out that product-program innovativeness has a significant, positive impact on performance (β= 0.183, p < 0.01). Moreover, they found out that the more technologically turbulent the environment is, the greater the impact innovation orientation has on business performance. Market orientation, on the other hand, is more suitable for dynamic markets.
5.3.2 Maximizing business performance

Business performance here is defined as the set of activities conducted by a business enterprise to provide goods and services. The latter can be referred to as the business results. So as to maximize business performance, it is essential to take into consideration the financial, operational and employee performance (Mbogo, 2011).

When we observe the regression coefficient for training on Table 12, we can see that taking all other independent variables at zero, it indicates that by implementing a training policy in the firm for developing the current human capital, there would be 0.792 increase in business performance. By making a positive impact through meeting the needs of the internal customer, the needs of the external customers are also satisfactorily met. This training is will help increase the female entrepreneurs’ knowledge and business skills in the marketplace, as well as help them establish more contacts as they gain exposure. By gaining the necessary training, the women will be able to identify with and incorporate international production standards into their own businesses.

Further, the findings show that a unit increases in access to capital would lead to a 0.628 increase in performance of businesses run by females. It is therefore crucial that we increase access to capital across the county. Currently, the loans availed by the Kenyan government to the youth and women are the most affordable though the application processes is considered by many to be lengthy in duration and complex. More affordable collateral-free funding that is also easily accessible should be made available.

In addition, the findings show that a unit increase in cultural factors would lead to a 0.581 increase in performance of businesses run by female entrepreneurs. Because cultural factors are elusive and abstract, managers should ensure that the current corporate norms and values which have a slow effect on product program innovativeness, are further developed so as to transform them into innovation-oriented artifacts such as informal discussion areas or by sharing stories of the innovation leaders.

The study also found that a unit increase in the scores of Product program Innovativeness would lead to a 0.361 increase in performance of businesses run by female entrepreneurs. Because innovation is a prerequisite to improving business performance, the corporate
culture which has an influence on the innovation orientation within the business has to be designed with innovation in mind. This orientation will help the firm handle environmental uncertainties.

5.4 Conclusions

5.4.1 Characteristics of female entrepreneurs

Female entrepreneurs have to be resilient and self-driven to push through the numerous challenges that they encounter in the entrepreneurship journey. These challenges include access to adequate funding, insufficient knowledge of their industry or lack of proper business training, poor managerial skills and as well as the failing to reinvest profits in their business.

5.4.2 Factors that affect business performance

The study concludes that entrepreneurs face financial limitations raising initial or start up and running capital, an obstacle in combining family and work life, lack of adequate advice on access to capital and a question of self-confidence (believing in their abilities). The trainings of female entrepreneurs were empowering, collaboration, sharing of information, empathy and nurturing and these dimensions helped to improve business performance.

The study concludes that gender affects the performance of the business to some extent though women do better if given a chance and a supportive environment. Cultural beliefs determine how they conduct business but not as much as other factors such as access to capital and training. Guarantees and collateral required for external financing sometimes are beyond the scope of most entrepreneurs’ personal assets and credit track record. Most women often lack access to training and prior experience on how to aggressively marketing their products and services therefore unable to market goods and services strategically. The high cost of developing new business contacts and relationships in a new market is a big deterrent for many businesses. Unfamiliarity with the external world and lack of ease in moving around is also an issue when it comes to dealing with a multiplicity of agencies in setting up or running a business.
5.4.3 Entrepreneur Business Performance

The study concludes that most businesses were not running at maximum capacity and could do better if the environment was conducive. The businesses serve the families thus not very stable because profits were usually used to procure services and goods for the family and little was ploughed back into the business. Few had taken a loan from a bank or any other financial institution. The entrepreneurs comply with cultural pressure concerning business start-up, and women perceived stronger social support at the start-up phase.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Characteristics of Female Entrepreneurs

Female entrepreneurs should be trained on how to participate in the market place and so that they are able to market goods and services strategically. Women need to be given more exposure with the external world by decreasing the process of going to other areas and making it easy. This will help them be able to deal with a multiplicity of agencies in setting up or running a business.

5.5.1.2 Key Economic, Social, Legal and Administrative Factors

The government should put up a policy on how to train female entrepreneurs on business skills. More women should be encouraged to put up businesses. This can be done by encouraging women when choosing their careers to take up entrepreneurship courses and business administration courses. Female entrepreneurs should learn from a tender age to balance work and family cores.

The government should include the aspect of training female entrepreneurs as part of its vision 2030 so that women can participate fully in the economic growth of the country.

Financial institutions should encourage female entrepreneurs to take loans. This can be done by ensuring there is no discrimination between women and men while giving loans.
The government should ensure that they fund women SMEs by giving them cheap loans not only in groups but also individually.

5.5.1.3 Maximizing Business Performance
Female entrepreneurs should be encouraged to train themselves in computer skills and to incorporate ICT into their businesses. This will help to make possible flexibility in time and place, in view of the multiple roles women have. The acquired ICT skills will also increase their exposure to the global arena, offering greater future opportunities to the female entrepreneurs.

5.5.2 Recommendations for Further Research
A similar study could be carried out in other counties to find out whether the same results will be obtained. Further research should be carried in these areas:

5.5.2.1 The factors that influence the performance of businesses owned by male entrepreneurs. This study will provide further insight into the unique privileges and challenged that are faced by men in entrepreneurship.

5.5.2.2 The factors that influence the performance of businesses run by young people. This will give more details on how to drive more youth into entrepreneurship and how to ensure that these businesses survive.

5.5.2.3 Challenges facing youth and female entrepreneurs in Kenya. The youth and female entrepreneurs continue to face numerous challenges despite the current initiatives. This study will study these challenges in details and recommend effective solutions.

5.5.2.2 Effect of government policies on performance of start-ups in Kenya. This study should take a look at the legal and administrative environment in which entrepreneurs have to operate and thrive in.
6.0 REFERENCES


7.0 APPENDIX

QUESTIONNAIRE

This questionnaire has been created by Racheal Wangari, a research student, to collect information on factors that affect the performance of businesses owned by female entrepreneurs. Please answer as accurately as possible in the spaces provided.

PART 1: DEMOGRAPHIC INFORMATION

1. Gender _ Male _ Female

2. Age _ Below 20 _ 20–30 _ 31–45 _ 45–60 _ Above 60

3. Occupation _ Salaried _ Professional _ Business _ Student
   _ Retired _ Housewife

4. Educational _ High School _ Graduation _ Post-Graduation
   Qualifications _ Professional & Others

PART 2: FACTORS AFFECTING PERFORMANCE OF BUSINESSES

The major factors that affect businesses owned by entrepreneurs are listed below. After you read each of the factors, evaluate them in relation to your business and then put a tick mark (√) under the choices below.

1=Strongly Disagree  2=Disagree  3=Undecided  4=Agree  5=Strongly Agree
<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Agreement Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.0</td>
<td><strong>Access to Capital</strong></td>
<td></td>
</tr>
<tr>
<td>5.1</td>
<td>The business is equipped with a financial surplus (e.g., cash holdings that need not to be used for current businesses)</td>
<td></td>
</tr>
<tr>
<td>5.2</td>
<td>The business has more human resources at its disposal than are necessarily needed to fulfill its tasks (e.g. can be used to experiment)</td>
<td></td>
</tr>
<tr>
<td>5.3</td>
<td>The business compensates its employees beyond the necessary amount.</td>
<td></td>
</tr>
<tr>
<td>5.4</td>
<td>Despite different bottlenecks, our company has sufficient resources to cope with these bottlenecks.</td>
<td></td>
</tr>
<tr>
<td>6.0</td>
<td><strong>Training</strong></td>
<td></td>
</tr>
<tr>
<td>6.1</td>
<td>Training increases the firm’s productivity levels.</td>
<td></td>
</tr>
<tr>
<td>6.2</td>
<td>It aids in developing the workforce multipurpose character.</td>
<td></td>
</tr>
<tr>
<td>6.3</td>
<td>Training gives better knowledge of the firm’s culture and objectives.</td>
<td></td>
</tr>
<tr>
<td>6.4</td>
<td>Training in the business usually responds to current needs.</td>
<td></td>
</tr>
<tr>
<td>6.5</td>
<td>Training habitually tries to meet future qualification demands.</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Item</td>
<td>Agreement Scale</td>
</tr>
<tr>
<td>-----</td>
<td>----------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>7.0</td>
<td><strong>Cultural Factors</strong></td>
<td></td>
</tr>
<tr>
<td>7.1</td>
<td>This is a very dynamic and entrepreneurial place. People are</td>
<td></td>
</tr>
<tr>
<td></td>
<td>willing to stick their necks out and take risks.</td>
<td></td>
</tr>
<tr>
<td>7.2</td>
<td>The head of this company is generally considered to be an</td>
<td></td>
</tr>
<tr>
<td></td>
<td>entrepreneur, an innovator, or a risk taker.</td>
<td></td>
</tr>
<tr>
<td>7.3</td>
<td>Our company emphasizes competitive actions and achievement.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Measurable goals are important.</td>
<td></td>
</tr>
<tr>
<td>7.4</td>
<td>Our company emphasizes growth and acquiring new resources.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Readiness to meet new challenges is important.</td>
<td></td>
</tr>
<tr>
<td>7.5</td>
<td>We are an organized and structured place. Detailed procedures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>help people know what to do.</td>
<td></td>
</tr>
<tr>
<td>7.6</td>
<td>The head of this company is generally considered to be a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>coordinator, an organizer, or an administrator.</td>
<td></td>
</tr>
<tr>
<td>7.7</td>
<td>The glue that holds us together is an emphasis on tasks and goal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>accomplishment. A production orientation is shared.</td>
<td></td>
</tr>
<tr>
<td>8.0</td>
<td><strong>Product Program Innovativeness</strong></td>
<td></td>
</tr>
<tr>
<td>8.1</td>
<td>Our company introduces many innovative products/services in the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>market.</td>
<td></td>
</tr>
<tr>
<td>8.2</td>
<td>The business plans to introduce several innovations into the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>market in the next five years.</td>
<td></td>
</tr>
<tr>
<td>8.3</td>
<td>The new developed products/services of the business offer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>unique advantages to our customers.</td>
<td></td>
</tr>
<tr>
<td>8.4</td>
<td>The new developed products/services of the business offer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>higher quality than the products/services of our competitors.</td>
<td></td>
</tr>
<tr>
<td>8.5</td>
<td>The new developed products/services of the business offer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>higher value than the products/services of our competitors.</td>
<td></td>
</tr>
<tr>
<td>8.6</td>
<td>The new developed products/services of the business solve</td>
<td></td>
</tr>
<tr>
<td></td>
<td>problems of our customers.</td>
<td></td>
</tr>
<tr>
<td>8.7</td>
<td>The new developed products/services lead to significant cost</td>
<td></td>
</tr>
<tr>
<td></td>
<td>savings at our customers.</td>
<td></td>
</tr>
<tr>
<td>8.8</td>
<td>The new developed products/services of our company are</td>
<td></td>
</tr>
<tr>
<td></td>
<td>supportive of our customers to simplify their processes.</td>
<td></td>
</tr>
<tr>
<td>8.9</td>
<td>The new developed products/services of the business deliver high</td>
<td></td>
</tr>
<tr>
<td></td>
<td>benefits for our customers.</td>
<td></td>
</tr>
</tbody>
</table>