

**ENTREPRENEURIAL DETERMINANTS AFFECTING
SUSTAINABILITY OF WOMEN OWNED SMALL AND
MEDIUM ENTERPRISES IN KENYA.**

KIMATHI PETER GITUMA

DOCTOR OF PHILOSOPHY

(Entrepreneurship)

**JOMO KENYATTA UNIVERSITY OF
AGRICULTURE AND TECHNOLOGY**

2016

**Entrepreneurial Determinants Affecting Sustainability Of Women
Owned Small And Medium Enterprises In Kenya.**

Kimathi Peter Gituma

**A Thesis Submitted in the Fulfillment for the Degree of Doctor of
Philosophy in Entrepreneurship in the Jomo Kenyatta University of
Agriculture and Technology**

2016

DECLARATION

This thesis is my original work and has not been presented for a degree in any other University.

Signature Date

Peter Gituma Kimathi

This thesis has been submitted for examination with our approval as the University supervisors.

Signature Date

Prof. G.S Namusonge

JKUAT, Kenya

Signature Date

Dr. Agnes Njeru

JKUAT, Kenya

DEDICATION

To my wife Faith.

ACKNOWLEDGEMENT

I acknowledge with sincere gratitude the unequal contribution support and commitment of my supervisors Prof. Gregory Namusonge and Dr. Agnes Njeru to whom are of great assistance. I greatly commend their tireless effort, expertise and effort in guiding me through my work and also the direction and advice. I sincerely thank members of staff and my fellow PhD students at JKUAT for their support.

I thank my wife Faith Gituma for spiritual and financial support alongside other family members. I am also quite indebted to the management and staff of Solution SACCO for their support.

Most of all I thank Almighty God for the health, amazing grace and strength, on the journey in completing research proposal development.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	xi
LIST OF FIGURES	xiii
LIST OF APPENDICES	xv
ACRONYM AND ABBREVIATIONS	xvi
DEFINITION OF TERMS	xvii
ABSTRACT	xix
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem	7
1.3 General Objective of the Study	8
1.4 Specific Objectives	8

1.5 Hypothesis Testing	8
1.6 Significance of the Study	9
1.6.1 Academia	9
1.6.2 Investors	9
1.6.3 Government	9
1.7 Scope of the Study.....	10
1.8 Limitations and Delimitations	11
CHAPTER TWO	12
LITERATURE REVIEW.....	12
2.1 Introduction	12
2.2 Theoretical Framework	12
2.2.1 Financial Capital/Liquidity Theory	12
2.2.2 Human Capital Entrepreneurship Theory	13
2.2.3 Kirzner's "alert" Entrepreneur Theory	13
2.2.4 Marshall's Equilibrium Theory	15
2.2.5 McClelland Theory of Motivation	15
2.3 Conceptual Framework	16

2.3.1 Competition	18
2.3.2 Capital Access.....	20
2.3.3 Skilled Labour Access	22
2.3.4 Domestic Attachment	25
2.3.5 Information Technology	28
2.3.6 Enterprise Sustainability.....	30
2.4 Empirical Review	33
2.5 Critique of the Existing Literature.....	35
2.6 Research Gaps	38
2.7 Summary of Literature Reviewed	39
CHAPTER THREE	41
RESEARCH METHODOLOGY	41
3.1 Introduction	41
3.2 Research Design	41
3.3 Target Population	41
3.4 Sampling Frame	42
3.5 Data Collection Instruments	46

3.6 Data Collection Procedure.....	46
3.7 Pilot Testing	46
3.8 Data Reliability and Validity Test.....	47
3.9 Data Analysis and Presentation.....	48
3.9.1 Descriptive Analysis	48
3.9.2 Inferential Statistics	48
3.9.3 Multiple Regression Analysis and Model.....	49
3.9.4 Operationalization and Measurement of Study Variables	51
CHAPTER FOUR.....	53
RESEARCH FINDINGS AND DISCUSSIONS.....	53
4.1 Introduction	53
4.2 Response Rate	53
4.3 Reliability Results	54
4.4 Demographic Data.....	55
4.4.1 Age Bracket of the Respondents.....	55
4.4.2 Marital Status of the Respondents of the Respondents.....	56
4.4.3 Nature of Business	57

4.4.4 Duration of Time Business has been In Operation	58
4.4.5 Current Ownership of the Respondents Business	59
4.4.6 Level of Education	60
4.5 Study variables	61
4.5.1 Competition	61
4.5.2 Access to Capital	66
4.5.3 Access to Skilled Labour	69
4.5.4 Domestic Attachment	73
4.5.5 Information Technology	78
4.6 Regression Analysis	82
4.6.1 Linear Regression Model of Sustainability of Women Owned SMEs/Competition Strategy	82
4.7 Overall Regression Analysis	93
4.8 Checks for Multicollinearity and Heteroscedasticity	97
CHAPTER FIVE.....	98
SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	98
5.1 Introduction	98
5.2 Summary of the Major Findings.....	98

5.3 The Overall Effect of the Variables.....	100
5.4 Conclusion.....	101
5.5 Recommendations	101
5.6 Areas for Further Research.....	102
REFERENCES.....	103
APPENDICES	117

LIST OF TABLES

Table 3.1: Sampling Frame	42
Table 3.2: Sample Size.....	44
Table: 3.3: Sampling Ratios.....	45
Table 4.1: Reliability Test of Constructs	54
Table 4.2: Age Bracket of the Respondents.....	56
Table 4.3: Current Ownership of the Respondents Business	60
Table 4.4: Descriptive Statistics.....	83
Table 4.5: Correlation of C versus ES	83
Table 4.6: Coefficients for the Regression of C: ES	84
Table 4.7: Descriptive Statistics.....	85
Table 4.8: Regression Model	85
Table 4.9: Coefficients for the Regression CA:ES	86
Table 4.10: Descriptive Statistics.....	87
Table 4.11: Correlation of LA Versus ES	87
Table 4.12: ANOVA	88
Table 4.13: Descriptive Statistics.....	89

Table 4.14: Coefficients for the Regression DA: ES89

Table 4.15: Linear Relationship90

Table 4.16: ANOVA91

Table 4.17: Descriptive Statistics.....91

Table 4.18: Coefficients for the Regression of IT:ES92

Table 4.19: ANOVA92

Table 4.20: Combined Regression Analysis94

Table 4.21: Beta Coefficients of the Independent Variables95

LIST OF FIGURES

Figure 2.1: Conceptual Framework	17
Figure 4.1: Respondents' Marital Status.....	57
Figure 4.2: Nature of Business.....	58
Figure 4.3: Duration of Time the Respondents' Businesses has Been in Existence.....	59
Figure 4.4: Level of Education	61
Figure 4.5: Extent Market Survey Influence on the Sustainability of SMEs.....	62
Figure 4.6: Extent Rivalry between Men and Women Influence on the Sustainability of SME's.	64
Figure 4.7: Advertisement Technique Influence on the Sustainability of SMEs.....	65
Figure 4.8: Collaterals.....	66
Figure 4.9: Government Funding (Women & Youth Funds).....	67
Figure 4.10: Sources of Finance	69
Figure 4.11: Wage Rate Levies.....	70
Figure 4.12: Methods of Recruitment	71
Figure 4.13: Levels of Motivation	73
Figure 4.14: Support and Assistance from Relatives and Spouses	74

Figure 4.15: Form of Enterprise Ownership	76
Figure 4.16: Time Devoted in Enterprise Management.....	77
Figure 4.17: Production Techniques	79
Figure 4.18: Market Information Gathering	80
Figure 4.19: Level of Automation	81

LIST OF APPENDICES

Appendix I: Questionnaire.....	117
Appendix II: Transmittal Letter.....	132

ACRONYM AND ABBREVIATIONS

BDS	Business Development Services
CBOs	Community Based Organizations
DFID	Department for International Development
DFIs	Development Finance Institutions
FDI	Foreign Direct Investment
GEM	Global Entrepreneurship Monitor
GOK	Government of Kenya
ILO	International Labor Organization
KNBS	Kenya National Bureau of statistics
M/V	Motor vehicle
MOS	Men Owned Enterprises
OECD	Organization for Economic Cooperation and Development
SMEs	Small and Medium Enterprises
UNECE	United States Economic Commission for Europe
UNIDO	United Nations Industrial Development Organizations
WOS	Women Owned Enterprises

DEFINITION OF TERMS

- Competition:** Rivalry in which every seller tries to get what other sellers are seeking at the time sales, profit, and market share by offering the best practicable combination of price, quality, and service (Romer, 2010).
- Domestic:** of or relating to the running of a home or to family relations (Sigh, 2011).
- Entrepreneur:** The owner or the Manager of the enterprise, its executive director or a member of its managing board (UNECE, 2011).
- Entrepreneurship:** The creation of value through creation of organization process of stating and /or growing a new profit making business, the process of providing a new products or service (Bird, 1990).
- Growth:** Increase in size amount, and degree of something, increase in economic activities (Siwade, 2011).
- Information Technology:** is the use of any computers, storage, networking and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data (Siwadi, 2011).
- Performance:** refers to the quantitative measure of economic and social economic values of women owned enterprises as indicated by the assets level, the income from sales, number of employees, the return on investments and market share (weber, 2011).

Skilled labour: Is any worker who has special skill, training, knowledge, and (usually acquired) ability in their work (Shane, 2010).

Small and medium enterprises: Businesses operating both formal and informal sectors of the economy and employing between 0-50 employees (Werbach, 2005).

Sustainability: Business sustainability, also known as corporate sustainability, is the management and coordination of environmental, social and financial demands and concerns to ensure responsible, ethical and ongoing success (Will, 2011)

ABSTRACT

Female entrepreneurship has long been associated with concepts such as female empowerment and emancipation. Increasingly, it has also been marketed as crucial for increasing the quality of life of women in the developing world. The general objective of the study was to examine the Entrepreneurial determinants affecting sustainability of women owned small and medium enterprises in Kenya. The specific objectives that the study addressed included determination of effects of Competition, access to capital, access to skilled Labour, domestic attachment and information technology on sustainability of women owned enterprises in Kenya. Mt. Kenya Region is a home of seven counties namely: Kirinyaga County, Murang'a County, Nyandarua County, Nyeri County, Embu County, Meru County and Laikipia County. The study was explanatory in nature and on a target population of 1200 women enterprises within the region. A sample of 120 women entrepreneurs was selected. Stratified random sampling was employed and data gathered by use of Questionnaires, document analysis and observation. Validity and Reliability of the instruments was tested using the test retest methods.. With the aid of Statistical Package for Social Science version 20.0, both descriptive statistics such as the means, modes, standard deviation, variances and inferential. The study found that factors components (Competition, access to capital, access to skilled Labour, domestic attachment and information technology) have a great positive influence on the sustainability of women owned SMEs. Competition was most significant with correlation coefficient of 78.9% elements influencing sustainability of women owned small and medium enterprises in Kenya. Data was presented in the form of tables and a bar graph. Ranking of the predictors: based on the standardized β coefficients indicate that Competition (.101), Information Technology (.220), Domestic Attachment (.215), Labour Affordability (.145) and Capital Accessibility(.201) The results suggest that C is the main determinant of Enterprise Sustainability for women owned SMEs while CA influence is least amongst the determinants of Enterprise Sustainability Fitted model $Y = 0.758 + 0.413X_1 + 0.219X_2 + 0.319X_3 + 0.111X_4 + 0.301X_5 + \epsilon$ The regression model is therefore: Enterprise Sustainability = 0.413 (Competition) + 0.260 (Capital Accessibility)+0.331 Skilled Labour Affordability)+0.713 (Domestic Attachment)+0.301(Information Technology)

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The study sought to explore the entrepreneurial determinants affecting sustainability of women owned small and medium enterprises in Kenya. Lack of planning, improper financing, poor management and access to information technology have been identified as the main causes of failure of women small and medium enterprises (Longenecker *et al*, 2009). Lack of credit has also been identified as one of the most serious constraints facing SMEs and hindering their development (Oketch, 2011).

Sustainability of women owned small and medium enterprises requires more market study which as lied behind in the two decades from 1990 to 2010, concentration to be focused upon problems which hampers on the growth. According to United Nations (2011) female entrepreneurs make significant contributions to economic growth and to poverty reduction around the world. In the United States, for example, women-owned firms are growing at more than double the rate of all other firms, contribute nearly \$3 trillion to the economy and are directly responsible for 23 million jobs. In developing countries, female entrepreneurship is also increasing - there are about 8 million to 10 million formal small and medium enterprises (SMEs) with at least one female owner. While the number of women operating their own business is increasing globally, women continue to face huge obstacles that stunt the growth of their businesses, such as lack of capital, strict social constraints, and limited time and skill (United Nations, 2012)

The World Bank has created a clearing house of programs and research to support female entrepreneurship (UN, 2011). Key issues facing new and growing women-owned enterprises in the United States include access to capital, access to information, and access to networks. In Korea, women business owners experience financing and the effort to balance work and family as their most difficult tasks. Indonesian women

entrepreneurs on the other hand, have difficulties in exporting their product overseas and in increasing the volume of production, both of which are of importance for their competition in the global market (Gordon, 2011).

Lee-Gosselin and Grise (2009) as cited in, Maysami *et al.* (2010) found that in general, the most common start-up problems seem to be lack of capital. Vinze (2007) studied the socio-economic background and the factors that contributed to entry into business of women entrepreneurs in Delhi. Corroborating with above findings, she highlighted the cultural aspects. It is harder for women to take ‘calculated risks’ that are essential to entrepreneurship, as they are the custodians of society in the maintenance of cherished values, habits, and accepted norms of conduct. Most of the developing countries have witnessed an influx of the number of women venturing in the field of entrepreneurship in recent years; this mainly being attributed to advocacy on women empowerment programs and policies advanced by both government and non-governmental organizations (Eyben *et al.* 2008). Studies have found that entrepreneurial development has been a panacea for poverty alleviation among the fastest growing economies of developing countries (United Nation, 2011). A report by World Bank (2009) indicated that women entrepreneurs comprise about a half of human resources in developing economies. The report also identifies women entrepreneurs as key facilitators of micro economic development and sustainability in their communities. Studies also indicate that majority of women entrepreneurs own SMEs in developing countries (Gichuki *et al.*, 2014). This is an Open Access article distributed under the terms of the Creative Commons Attribution License which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly credited.

Gichuki *et al.* (2014) cited that their significant contribution to growth domestic production (GDP) and improving income of their households cannot be ignored. Ghosh (2009) in spite of the success stories recorded on the increase of women entrepreneurship in developing countries, the literature on women entrepreneurship in Africa literally depict women-owned micro and small enterprises as being under

financed and thus continue to record poor performance and sustainability compared to male owned SMEs (Richard, 2004). Only 30% of the small firms in Sub-Saharan African countries have access to affordable and proper financial capital World Bank (2009). Lack of collateral requirements, low income, problems in filing tax repayment reports and unsound business plans are some of the major reasons for the unwillingness of the formal banks lending credit, to majority of entrepreneurs who own micro and small enterprise (SMEs) (Sacerdoti, 2011). Stevenson and St-Onge (2011) observed that women entrepreneurs in Sub-Saharan Africa are even more disadvantaged when accessing credit from commercial banks because they lack control of family resources like land which can be used as collateral to acquire loans for expanding of their micro enterprises.

A cursory review on the characteristics of enterprises in Sub Saharan Africa shows that significant or dominant share of small micro enterprises are operated from informal sector (Stevenson & St-Onge, 2011). Women entrepreneurs in particular prefer to start micro enterprises related to food vending, hair making, tailoring of garments and running merchandised shop in retail and wholesale. The informal sector is more lucrative to women because less intensive capital is needed to establish the enterprises and no special skills are required (Fuchs & Berg, 2013). However, it is further observe that among Sub-Saharan African countries, women entrepreneurs not only face credit access challenge, but also have low education levels, lack entrepreneurial training and experience to effectively manage enterprises. The purpose of this paper is to investigate the influence of credit accessed from village and credit associations and social economic factors on the performance of women owned small micro enterprises (ILO, 2010).

UN (2011) states that women-owned businesses are making a significant contribution to the Kenyan economy their businesses account for about one-half (48 percent) of all micro-, small and medium-sized enterprises (SMEs), which contribute around 20 percent to Kenya's GDP. It further states that of the 462,000 jobs was created annually since 2000 in Kenya, 445,000 jobs have come from the informal sector, where 85 percent of

women's businesses are found. The small and micro enterprises (SMEs) play an important role in the Kenyan Economy. According to the Economic Survey (2006), the sector contributed over 50 percent of new jobs created in the year 2005. Despite their significance, past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007).

According to Amyx (2005) one of the most significant challenges is the negative perception towards SMEs. Potential clients perceive small businesses as lacking the ability to provide quality services and are unable to satisfy more than one critical project simultaneously. Often larger companies are selected and given business for their clout in the industry and name recognition alone. Starting and operating a small business includes a possibility of success as well as failure. Because of their small size, a simple management mistake is likely to lead to sure death of a small enterprise hence no opportunity to learn from its past mistakes (Kiiru, 2012). Lack of planning, improper financing and poor management have been posited as the main causes of failure of small enterprises (Longenecker et al, 2009). Lack of credit has also been identified as one of the most serious constraints facing SMEs and hindering their development (Oketch, 2011).

Sustainability of women owned small and medium enterprises requires more market study which as lied behind in the two decades from 1990 to 2010, concentration to be focused upon problems which hampers on the growth. Lack of access to and control of numerous dimensions of women's owned enterprises over resources limits women in the sustainability of their enterprises, this being the underlying principle for supporting economic sovereignty (United Nations, 2012). Richardson, (2010) revealed that many women entrepreneurs in Africa feel they lack finance, abilities, skills and expertise in certain business matters. Many of the issues mentioned appear to relate to women's relative inability to access funds from the financial intermediaries and lack of exposure to the world of business. In addition to this lack of exposure, women's business networks are poorly developed as social assets. This in turn impacts on a range of factors

that adversely affect the women entrepreneurs at all levels. Small businesses are the bedrock of national, state and local economies spurring growth by providing job and creating wealth. Promoting a flourishing business community is a sure way to expand economic prosperity by creating legacy wealth that can be passed from generation to generation (Malley, 2009).

A study by Soyeon, Shim and Eastlick (2009) on Hispanic female business owners identified 10 business problem areas: sales and profit forecasting; obtaining lines of credit; fund management; working capital management; pricing strategies; customer database management; short-term business planning; labour cost analysis; managing debt; and gender problems. Women in Africa constituted 52% of the total population and contribute 75% of the agricultural work and produce and market 60-80% of the food. According to the United Nations Program (2009) Human Development Report, the female labor force in sub Saharan Africa in 1993 was about 73 million, representing 34% of those employed in the formal sector earning only 10% of the income while owning 1% of the assets. These figures clearly indicated the need for the increasing women access to both formal and informal resources.

According to United Nations (2010) Kenyan, women entrepreneurs see the establishment of a productive business as a means to improve their status in society as well as their family's standard of living and to serve their community by creating employment opportunities. However, due to a lack of, finance, technical skills, confidence, strong individual involvement and the willingness to take risks, women are often unable to establish and sustain successful businesses. United Nations Development Programme (2012) estimated that 52% of the rural women and 63% of the urban women live below poverty line. It is also estimated that 85% of businesses in the informal sector and 48% of small and micro enterprises are owned by women who face the twin challenge of business skills and financing

In Kenya as quoted in the Kenya Vision 2030 a vibrant and globally financial sector driving high levels of savings and financing Kenya's investment need. Sustaining women entrepreneurship is critical to accelerating economic growth for example through forums such as "Uwezo funds". It will promote private sector development which in turn will generate employment opportunities and reduce poverty. Women involvement will also encourage foreign direct investment, safeguard the economy from the external shocks as well as propel Kenya to become a leading economic hub in the eastern and southern Africa Vision 2030(UNDP, 2012).

Mt. Kenya Region is a home of eight counties namely: Kirinyaga County, Murang'a County, Nyandarua County, Nyeri County, Embu County, Meru County and Laikipia County. According to UN (2013) SMEs activities at the local administrative towns have consequently shown that, these SMEs serve as strong nodes which link the surrounding rural areas to local, national and regional markets through forward and backward linkages. By strengthening and opening up opportunities for SMEs in these towns 'virtuous' circles of rural-urban economic linkages are created and ignited. This proposal therefore seeks to add to the literature by generating and documenting information on the role of SMEs in small towns in rural-urban linkages. With the dawn of a new constitution in Kenya, which calls for among other things a more devolved government structure, this is a timely body of knowledge to add.

Kenya is an agricultural-led economy, hence the need to focus on small mountainous towns. Women entrepreneurs are taking advantage of the spontaneous growth of enterprises within Mt Kenya region (UNEP, 2014). The towns are surrounded by rich agricultural areas and are highly populated, making them busy hubs of mobility and exchange. Women entrepreneurs from other counties are position themselves in Mt Kenya region to take advantages of various thriving business opportunities and develop infrastructure not forgetting political stability and favorable climate conditions (UN, 2012). Therefore, Mt Kenya region is the chosen area of study.

1.2 Statement of the Problem

Women-owned enterprises appear restricted in their sustainability paths, women's enterprises are largely skewed towards smaller firms hence limiting sustainability (Weber, 2011). Weber further states that they make up nearly 32 to 39 percent of Micro enterprises, 30 to 36 percent of small enterprises and 17 to 21 percent of Medium enterprises as compared to men counterpart 42-53(micro-enterprises),39-47(small enterprises),25-36 (medium enterprises). According to ILO (2012) without increased attention to the gender dimensions of economic development, Kenya is therefore unlikely to meet its growth and sustainability targets including vision 2030. On the same this therefore demonstrates that addressing gender barriers in Kenya could generate significant economic growth for the country. The Kenyan government recognizes that sustainability of women entrepreneurs have not been on an equal footing when it comes to their access to opportunities and assets but it is yet to effectively address the barriers facing women in business (Athanne, 2011). Siwadi and Mhangami (2011) adds that it is undeniable that women entrepreneurs are the major actors in that sector and contributors to economic development and are becoming increasingly visible in the local economies of the developing counties. Promoting women's economic and political empowerment has gained greater attention over the last three decades (Yeshiareg, 2011).

Siwadi 2013 states that eliminating gender-based inequalities in financing and access to labour affordability, information technology, skilled manpower and competition in Kenya could result in a one-off increase in as much as 7.3 percentage points in GDP growth, and a sustained year-on-year increase of 2.0 to 3.5 percentage points in GDP growth. Without increased attention to the gender dimensions of economic development, Kenya is therefore unlikely to meet its growth targets including vision 2030 and other sustainable development goals. Further states that the assessment finds that eliminating gender-based inequalities in financing and access to labour affordability, information technology, skilled manpower and competition in Kenya could result in a one-off increase in as much as 4.3 percentage points in GDP growth, and a sustained year-on-

year increase of 2.0 to 3.5 percentage points in GDP growth. Without increased attention to the gender dimensions of economic development, Kenya is therefore unlikely to meet its growth targets (UN, 2012).

1.3 General Objective of the Study

The general objective of the study was to establish Entrepreneurial determinants affecting sustainability of women owned small and medium enterprises in Kenya.

1.4 Specific Objectives

The specific objectives of the study were:

- i. To establish the effect of competition on sustainability of women owned SMEs in Kenya.
- ii. To examine the effect of capital accessibility on sustainability of women owned SMEs in Kenya.
- iii. To determine effect of skilled Labour accessibility on sustainability of women owned SMEs in Kenya.
- iv. To explore the effect of domestic attachment on sustainability of women owned SMEs in Kenya
- v. To determine the effect of information technology on sustainability of women owned SMEs in Kenya.

1.5 Hypothesis Testing

- i. There is no significant difference between competition and sustainability of women owned SMEs in Kenya.
- ii. There is no significant difference between capital accessibility and sustainability of women owned SMEs in Kenya.

- iii. There is no significant difference between skilled Labour accessibility and sustainability of women owned SMEs in Kenya.
- iv. There is no significant difference between domestic attachment and sustainability of women owned SMEs in Kenya
- v. There is no significant difference between information technology and sustainability of women owned SMEs in Kenya.

1.6 Significance of the Study

1.6.1 Academia

This research will be very useful to the body of academia and education in general through the knowledge and information that will be generated.

1.6.2 Investors

This study will also help the investors in the making of appropriate decisions that consider investing in women owned enterprises as critical driving force to spur economic growth of the region and the country as whole. Investor's decisions and interventions in women owned enterprises that are viable for the development on enhancement of growth and give indication of how women owned enterprises benefit from the sustainability and this in turn enhance their living standards, liquidity level and the general performance of the women owned enterprises.

1.6.3 Government

The study will be useful both Central and county government for the purpose of policy formulation that will create a suitable environment for the small and micro entrepreneur to increase business growth and the consequent social standard improvement Sustainability. This will also raise the attention to policy makers on ensuring that the women owned SMEs contribution to economic growth is measured and their access to

entrepreneurship is not hampered in any way. This current research will add to the current growing literature on women entrepreneurship, women and business growth and entrepreneurship education and especially to scholars.

1.7 Scope of the Study

The study will address the determinants of Sustainability of women owned enterprises in Kenya. The research will be carried in Mt Kenya region on the women owned enterprises in seven counties namely: Kirinyaga County, Murang'a County, Nyandarua County, Nyeri County, Embu County, Meru County and Laikipia County. The study will be explanatory in nature on a target population of 1200 Women entrepreneurs registered within the region Regional data base (2013). A sample of 120 women entrepreneurs will be selected from the target population. The same data reveals that SMEs activities at the local administrative towns have consequently shown that, these SMEs serve as strong nodes which link the surrounding rural areas to Local, National and Regional Markets through forward and backward linkages. By strengthening and opening up opportunities for SMEs in these towns 'virtuous' circles of rural-urban economic linkages are created and ignited.

1.8 Limitations and Delimitations

The main limitation of this study was women entrepreneurs considered some information was confidential and hence were not willing to reveal most of it. The study however overcame the limitation by having a letter of introduction from the university to assure the respondents that the information provided was to be used for academic purpose and would thereby be treated with confidentiality. The distance covered within these Counties was a challenge but it was made possible by hiring and training research assistance to assist on the task.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews existing literature on the subject of this study. It outlines the literature review, the theoretical and conceptual frameworks, empirical review, research gap and summary

2.2 Theoretical Framework

This section covers the related theories to the independent variables of competition, capital accessibility, labour affordability, domestic attachment and information technology

2.2.1 Financial Capital/Liquidity Theory

Empirical research has showed that the founding of new firms is more common when people have access to financial capital (Blanchflower *et al.*, 2001). By implication this theory suggests that people with financial capital are more able to acquire resources to effectively exploit entrepreneurial opportunities, and set up a firm to do so (Clausen, 2009). However, other studies contest this theory as it is demonstrated that most founders start new ventures without much capital, and that financial capital is not significantly related to the probability of being nascent entrepreneurs (Aldrich *et al.*, 2010). This apparent confusion is due to the fact that the line of research connected to the theory of liquidity constraints generally aims to resolve whether a founder's access to capital is determined by the amount of capital employed to start a new venture (Clausen, 2010).

In his view, this does not necessarily rule out the possibility of starting a firm without much capital. Therefore, founders access to capital is an important predictor of new

venture growth but not necessarily important for the founding of a new venture (Hurst & Lusardi, 2009). This theory argues that entrepreneurs have individual-specific resources that facilitate the recognition of new opportunities and the assembling of new resources for the emerging firm (Alvarez & Busenitz, 2009). Research shows that some persons are more able to recognize and exploit opportunities than others because they have better access to information and knowledge (Aldrich *et al.*, 2010).

2.2.2 Human Capital Entrepreneurship Theory

Underlying the human capital entrepreneurship theory are two factors, education and experience (Becker, 2010). The knowledge gained from education and experience represents a resource that is heterogeneously distributed across individuals and in effect central to understanding differences in opportunity identification and exploitation (Anderson & Miller, 2009). Becker (2009) among others allows for an empirical application. It borrows from optimal investment theory by highlighting income distribution. The theoretical concept is basically derived from investment theory in physical capital using marginal analysis, agents decide in a dichotomous way; if they expect the returns of going entrepreneurial will be higher than being an employee, they will decide to become an entrepreneur (Schutz, 2008).

2.2.3 Kirzner's "alert" Entrepreneur Theory

While in Neoclassical analysis (Marshall) the main focus is the conditions necessary to sustain an equilibrium, and Schumpeter's focus was to explain the progress in capitalistic system by using innovator entrepreneur's destructive creation, Kirzner (2009) representing the Neo-Austrian approach to entrepreneurship- focused on answering the question of whether a market economy works and, if it does so, what is the process that leads the economy towards an equilibrium? Kirzner (2009) claimed that initially the economy is in disequilibrium and the competition among 'alert' entrepreneurs leads to equilibrium (Polonsky, 2009). Unlike Neo-classical economists, Kirzner (2009) realizes

that markets are not always clear, there is no perfectly informed representative agent and for change to occur the entrepreneurs need incentives and this incentives comes from the difference among agents in terms of information and knowledge.

According to Kirzner (2009) an improvement in the technique of production or a shift in preferences leads to change (disequilibrium) in the market where initially there was equilibrium (Roa, 2010). If there is equilibrium in the market there is nothing for the entrepreneur to do and no exchange and profit opportunities for them since everybody will be able to carry out his initially determined exchange plans. But whenever the change has occurred, some planned activities will not be realized. Kirzner states, there is no room for entrepreneurial discovery and creativity: the course of market events is fore ordained by the data of market situation and for the system to create profit opportunities for entrepreneur there is need for an exogenous shock to the system. Kirzner (2009) argues that the economy is in a constant state of disequilibrium due to shocks constantly hitting the economy. Furthermore, economic agents suffer from "utter ignorance" they simply do not know that additional information is available. In this world, the alert entrepreneur discovers and exploits new business opportunities and eliminates (some of the) "utter ignorance" and thus moves the economy toward equilibrium, which is the state where no more information can be discovered.

Kirzner's analysis of entrepreneurship identifies a disequilibrium that can only be corrected (to equilibrium) by alert entrepreneurs who produce and exchange, but the emphasis is on the exchange opportunities and progress that comes mainly from this part. He postulates that entrepreneurial progress does not depend on a "great man" but it does depend on many great men, many players in the business arena. Profits from an entrepreneurial venture may not usually be very large and in some cases before the break-even point is established, the returns maybe negative. Since there is a lot of uncertainty in the business environment, profits is always a speculative affair by the entrepreneurs and therefore an entrepreneurship is an act of risk taking. Seeing risk and

grabbing them may be considered too certain and requires an extra talent of people who can see the extra ordinary things (Pilot, 2010).

2.2.4 Marshall's Equilibrium Theory

Marshall is an equilibrium creating entrepreneur to Schumpeter, the crucial fact about the modern corporation is that its managers cannot fill the strong social role played by the entrepreneur (Romer, 2010). The Neo-classical theory and thereby the "Marshallian" analysis tries to explain equilibrium conditions in the markets under the assumptions of perfect knowledge and information, perfect competition (existence of many firms), existence of homogenous goods, and free entry and exit. Marshall's main concerns and at the same time goal is to show that markets clear under the perfect competition assumptions and there are no excess profit opportunities and hence there is no exploitation of labor in production process since everyone earns his marginal contribution to production and national income (Whartonn, 2010). Marshall Use's small changes (innovations) in the market process by many small competitors and confusingly indicate that large scale production is essential for economic progress and economic innovation (Schumpeter, 2009). Marshall tried to create equilibrium by having many players in the market, hence perfect competition and not monopolist market. His theories consider many "great men who establish equilibrium in the supply and demand in the market for goods and services. Marshallian analysis gives small contributions from a very large number of modest entrepreneurs' lead economic progresses (Churchill, 2010).

2.2.5 McClelland Theory of Motivation

In his work on economic development people with high levels of n Arh have a strong desire to solve problems, enjoy setting goals and achieving them through their own efforts and like receiving feedback on how they are doing McClelland (1961).He further states that Enterpreneur potray intuition, vigour, energy, persistence and self-esteem

where also they are born and they have natural abilities, training cannot influence them in any way.

2.3 Conceptual Framework

Mugenda, (2010) defines conceptual framework as a concise description of the phenomenon under study accompanied by a graphical or visual depiction of the major variables of the study. According to Bwisa (2011), conceptual framework is a diagrammatical representation that shows the relationship between dependent variable and independent variables. In the study, the conceptual framework will look at the relationship between Entrepreneurial determinants and sustainability of women owned SMEs in Kenya.

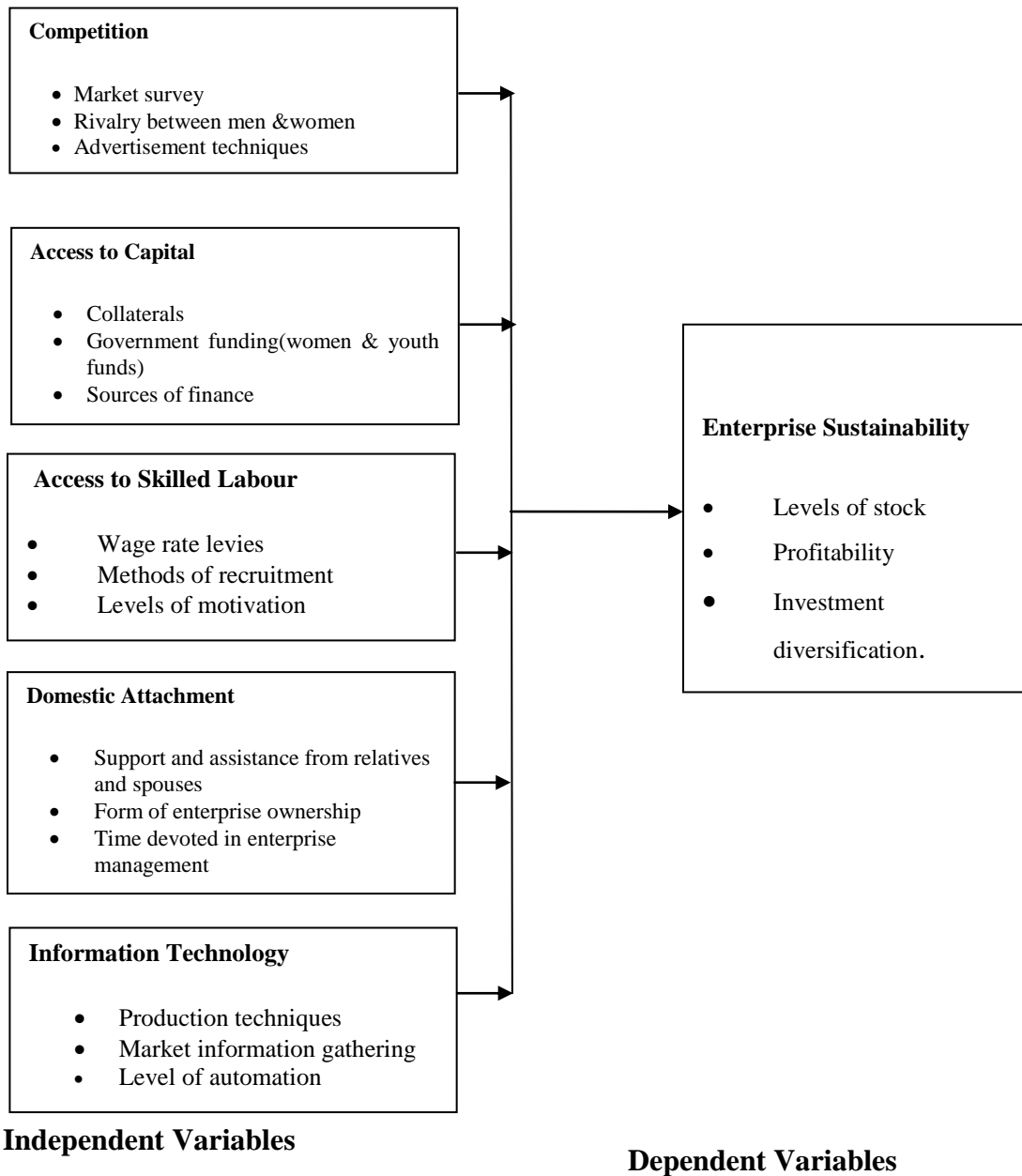


Figure 2.1: Conceptual Framework

2.3.1 Competition

In developing countries, women entrepreneurs are always faced by social economic barriers that deter their economic success Inter-American Development Bank, (2010). ILO (2010) shares similar observations that women's quest of having successful enterprises has been hindered by cultural, economic and political drawbacks. ILO (International Labour Office) Seed Program and African Development Bank (2009) established that majority of the poor women entrepreneurs in Sub Saharan Africa operates their enterprises in harsh environments than their male counterparts. In most of the cases women entrepreneurs support the household needs of their families from the meager profits or capital of their underfinanced enterprises. Given this fact, women-owned small micro enterprise are most likely to operate with low investment capital, limited market opportunities and low profits (World Bank, 2009).

Globalization and liberalization has made business resources more mobile and transferable beyond borders. Competition for resources such as material and capital has increased in many Asian countries including Malaysia. Levitt (2011) in his article on the globalization of markets has emphasized that companies must learn to operate as if the world is one large market ignoring superficial regional and national differences. In the process, globalization promotes technology, source and knowledge transfer, as ever-new processes of production and services will be provided. Globalization also promotes the rapid innovation, easy entry as less government protection and convergence across industries due to less trade barriers within region, constant arrival of new range of products and liberalization opening up of new economies (Humprey, 2010).

Besides all the good deeds, liberalization harms local SMEs as they have to compete with cheaper, more innovative incoming foreign products or services and compete for resources and capital. Globalization also creates unprecedented information and communication technologies (Abu Bakar *et al.*, 2009). In contrary, globalization also requires an efficient risk management, relationship marketing, and supply chain

management (Ritchie & Brindley, 2010). The objective of this field is to reduce uncertainty, identify potential risks, elicit better quality information, and improve understanding of the competitive global environment. Eventually, SMEs need to improve their competitive capability by the effective measuring in collaborative environments (Alba *et al.*, 2005). According to Lazonick and O'Sullivan (2011) stated that Superior economic performance depends on innovative enterprise: the development and utilization of productive resources to generate higher quality, lower cost goods and services to facilitate quality management. He further stated that market survey is necessary to support the achievement of superior economic performance which must be based on a theory of how a competitive women enterprise evolves, operates and performs.

There is a need for a market survey which derives from the uncertain, collective and cumulative character of the competition within women enterprises (Lazonick & O'Sullivan, 2011). The neoclassical theory of the market economy that has long underpinned government economic policy in the advanced economies lacks a theory of competitive enterprise (Edith, 2009). She further stated that instead it posits the optimizing firm as the relevant microeconomic unit of analysis, and calls for the breakup of large-scale women business enterprises so that large numbers of small-scale optimizing firms can move economic activity closer to the purported ideal of "perfect" competition.

Romer (2010) stated that under the sway of the theory of perfect competition, the theoretical case for production method policy that can influence women enterprises behavior and performance has long focused on the monopoly model in which large-scale business enterprises prevent the achievement of superior economic performance by producing lower output at higher prices than would be the case under conditions of perfect competition. The basic empirical problem with the women owned enterprises monopoly model is the fact that in many industries that are central to the operation and performance of the economy, a small number of innovative firms can grow to be very

large by generating more industry output at lower product prices than would have been the case if the industry had been populated by large numbers of near-identical competitors (Siwade, 2011).

This critique is not new. Economists such as Alfred Marshall, Joseph Schumpeter, and Edith Penrose understood the inferiority of so-called “perfect competition” as a benchmark of economic sustainability. Central to the growth and performance of advanced economies in the twentieth century was, as the business historian, Alfred Chandler, put it, “the visible hand” of managerial coordination (Edith, 2010). Robison (2009) stated that the optimizing women enterprises may calculate market risk in terms of competition, on the basis of prior experience, the risk of a deterioration of current market conditions, but it has no way of contemplating, let alone calculating, the uncertainty of returns for conditions of supply and demand , because innovation is involved, have yet to be created.

The fact, moreover, that the optimizing firm will only finance investments for which an adequate return already exists creates an opportunity for the innovating firm to make innovative investments that, if successful, can enable it to out compete optimizing enterprises. Indeed, in the future optimizing firms may find that the cause of the “poor market conditions” that they face is not the result of an exogenous shift in the industry demand curve but rather the result of competition from innovating firms that have gained competitive advantage while their own managers happily optimized (as indeed the economics textbooks instructed them to do) subject to given technological and market constraints (Sigh, 2009).

2.3.2 Capital Access

According to UN (2012) there are several sources of credit access in Kenya, ranging from commercial banks to micro-finance organizations to formal and informal savings groups. There are significant gender differences in the access to and use of credit

particularly formal credit. Further it states that businesses managed by women are less likely to receive a loan than firms managed by men, although the differences narrow with firm size and are smaller among formal businesses.

It is estimated that women-owned businesses have an annual financing gap of \$290 billion to \$360 billion in unmet financing needs, according to a report commissioned by the Group of Twenty. Information on the extent to which women MSEs are accessing financing from these various sources is not available, however, it is clear that the more formal the financing mechanism, the fewer women clients one will find. Women's general lack of collateral means they are limited to savings/credit groups, and group-based mutual guarantee micro-credit. Lack of access to credit is almost universally indicated as a key problem for SMEs. This affects technology choice by limiting the number of alternatives that can be considered. Many SMEs may use an inappropriate technology because it is the only one they can afford. In some cases, even where credit is available, the entrepreneur may lack freedom of choice because the lending conditions may force the purchase of heavy, immovable equipment that can serve as collateral for the loan. Credit constraints operate in variety of ways in Kenya where undeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends or relatives (UN, 2010). Lack of access to long-term credit for small enterprises forces them to rely on high cost short term finance. There are various other financial challenges that face small enterprises. They include the high cost of credit, high bank charges and fees. The scenario witnessed in Kenya particularly during the climaxing period of the year 2008 testifies the need for credit among the common and low earning entrepreneurs (Siwade, 2011). Numerous money lenders in the name of Pyramid schemes came up, promising hope among the 'little investors,' which they can make it to the financial freedom through soft borrowing. The rationale behind turning to these schemes among a good number of entrepreneurs is mainly to seek alternatives and soft credit with low interest rates while making profits. Financial constraint remains a major challenge facing SMEs in Kenya (Wanjohi & Mugure, 2008).

Informal service providers include several variants of merry-go-rounds and rotating savings and credit associations (ROSCAs), (Whartonn, 2010). They have their roots in the traditional mutual guarantee system, which makes them very popular. In fact, there are thousands of ROSCAs in Kenya serving as a source of credit for millions of low-income people. Estimates are that 76 per cent of group members are women. ROSCAs appear to be very popular among women in the Jua Kali and informal sector (Rao, 2011). However, women entrepreneurs attending the Nairobi focus group of December 2014 organized by Faulu Kenya expressed concern that women's financing needs were too narrowly perceived as being solved through savings and mutual guarantee groups. As one more growth-oriented entrepreneur stated, "the advice is start a savings group, save for six months, go to group meetings, and then start borrowing (Rao, 2010).

Rao (2010) stated that women business owners who seek debt financing report difficulty in getting bank loans and dealing with lenders. Most studies show no difference in the level of funding that banks are willing to provide women vs. men, but women appear more reluctant to apply for loans and more likely to expect rejection perhaps ensuring that their low expectations become a self-fulfilling prophecy. There is also evidence that women tend to seek loans too small to meet the needs of their businesses. Magazine by Along with American Express OPEN, Count Me (2014) empowerment for Women's Economic Independence has started a program called Make Mine a Million \$ Business. The program challenges women business owners to hit revenue targets of US\$250,000, US\$500,000 or US\$1 million (Desai, 2010).

2.3.3 Skilled Labour Access

Following the research done by Murillo & Lozano (2010) proceeded to conclude, based on interview results, that internal drivers rather than external pressures have a larger motivation for companies to adopt CR practices. Some of the drivers that are found in this study include; external: improved image and reputation, better market position; and internal: increased employee motivation, cost savings and increased efficiency (Jenkins,

2010). The managerial approach of female entrepreneurs is more democratic than their male counterparts - they build trust among their workers through transformational and interactive management style (Moore, 2011). Farr-Wharton and Brunetto (2011) mention that female entrepreneurs share power to create a collaborative work environment; their first management focus is strategic with employees as their second priority; they extend a supportive attitude towards the mistakes of their employees.

Personal attributes of female entrepreneurs may also sometimes create opportunities or barriers for them. There are high proportions of females who have a fear of failure (Itani *et al.*, 2011). At the other end of the spectrum, some studies reveal that female entrepreneurs love to take risk, are open to challenges, and put in their best efforts to pursue their goals (Mordi *et al.*, 2010). In traditional Muslim societies and communities, male-female segregation is the norm and presents its own issues. Women entrepreneurs guard their privacy and prefer a working environment where they don't have to interact with males (Itani *et al.*, 2011), or the interaction is kept to a minimum. Women entrepreneurs also lack managerial skills (Itani *et al.*, 2011). These females have less knowledge about market conditions and lack basic training to run a business venture (Roomi *et al.*, 2009). In Pakistan, both local and international efforts are being made in this area but females are still facing this problem. The ILO (2012) report on Pakistan also revealed lack of knowledge as an important factor that was holding back female entrepreneurs. Most females have a single mentor in their network from which they seek information (Farr-Wharton & Brunetto, 2009). Skilled labor is also a major concern; generally, skilled labor is not available for reasonable wages (Roomi *et al.*, 2009). A female entrepreneur also faces several societal issues; harassment is a major problem for them in many countries.

Sexual harassment remains a common complaint (Mordi *et al.*, 2010). Even in developed countries, governments may not be very successful in properly advertising their plans to female entrepreneurs (Farr-Wharton & Brunetto, 2010). Finding and retaining good employees is essential for the success of a business, but can be difficult

for women entrepreneurs in Kenya. Since women-owned businesses tend to be smaller, they are often less likely to provide job security and retain good talent: Some women find that they are not taken seriously by their employees, especially in non-traditional sectors, and that they have to make a special effort to win their respect. To retain good staff, women have instituted benefits such as on-site childcare, health benefits, and even a small health clinic for families of staff. Many of them wish to do more for their staff. According to UN (2010) managing employees within women owned enterprises is an issue. Workers are very unstable. Bencivenga *et al.* (1991), argues that apart from financial resources women also face difficulties in accessing skilled manpower to manage their enterprises because of high salaries and further to that lack enough funds to hire and train them. ILO (2010) stated that Human capital is a key asset of women owned entrepreneurs. It includes not only formal education, but also specific business skills such as management techniques, as well as the experience and networks the entrepreneur brings to the business. Further it stated that though more women now have access to education, women still tend to be the least educated entrepreneurs. This heavily impacts their growth potential. While the number of women-owned businesses receiving loans is increasing, gender gaps in education and prior work experience have been prevalent in many countries where men are more likely to have better access to formal training and to be more mobile between jobs and assignments (UN, 2010). Female ownership and employment also tend to be concentrated in less profitable and more competitive sectors such as food, garments and retail, while male ownership and employment tend to be in more profitable sectors such as materials and construction (World Bank, 2012). This can be due to a number of factors. For example, a lack of training can result in skill differentials and societal expectations about appropriate jobs for women.

This concentration in the small business segment and more competitive, labor-intensive, a sector tends to contribute to the bias in the performance of women-owned businesses relative to their men-owned counterparts. Indeed, as the World Bank shows, a significant gap in labor productivity for men-owned versus women-owned businesses in Sub-

Saharan Africa disappeared when enterprises of the same sector, size and capital intensity were compared (World Bank, 2012). Other studies have found similar results in different regions. Independent of size and sector, factors relating to institutional environment can also explain the weaker business metrics attributed to women-owned enterprises. These include institutional and regulatory constraints such as weak property rights, limited access to finance and policy-induced barriers restricting access to technologies and markets. Moreover, lower rates of business education or work experience among women in general, higher risk aversion and the burden of household management responsibilities could also account for differentials.

Stevenson (2010) argued that despite efforts deployed towards economic empowerment of women, the majority of active female population continues to be confined in micro and small enterprises and the informal sector this calls for education and training for them to take charge of their enterprises. He further stated that women should organize themselves into associations of entrepreneur's to solicit for skilled labour order to enhance economic policies. He argued that integration into the formal sectors still constrained by limited access to credit, technology and technical skills. Low income women in developing countries rely heavily on commercial, small scale farm and house based labour. The field of business development services(BDS) attempts to help micro entrepreneurs stabilize and grow the business by providing them with access to arrange of critical skilled manpower services from training to technology market access and infrastructure (Jones, 2010).

2.3.4 Domestic Attachment

As in many other countries, women entrepreneurs in Kenya face the challenge of managing their work with family and household affairs (Belu, 2010). On average, Kenyan women work 12.9 hours per day, which is 4.7hours more than men work women constitute 60.8 percent of unpaid family workers. According to Belu (2010), Women entrepreneurs are both mothers and business women. Kenyan women tend to perceive

their business as a family affair. Even when women exercise control over the business day-to-day operations, the husband and other family members tend to be part of the company ownership structure. Over ninety percent of the women interviewed involved their husbands as partners in the business, and drew on their husband's advice and encouragement when making important business decisions (Benn, 2010).

Husbands not only help provide the needed collateral to start a business, but they often provide legal advice or accompany the wife to the bank. Women are more affected than men by the conflicting demands of work and family life, and are more likely to respond to family needs first. New research by Babson College professor Candida Brush (2009) in the *International Journal of Gender and Entrepreneurship* finds that motherhood and the “macro/meso environment” (social, political and cultural expectations and norms) affect women in particular, giving them different values and priorities when they start their own businesses. Although self-employment may afford women the flexibility to balance their personal and professional lives in a way that a corporate setting may not, its structure may also explain why women-owned businesses don't grow as large as those owned by men (Athane, 2011). In 2007 a study of 685 new businesses by the U.S. Small Business Administration found that women entrepreneurs had a slightly larger household size and were more likely to prefer low risk/return businesses; men spent more time on their new ventures than women did (Athane, 2011).

Women usually reinvest a much higher part of their earnings in their families and communities than men, spreading wealth and creating a positive impact on future development,” Otaviano Canuto, Vice President of the World Bank's Poverty Reduction and Economic Management Network (2014) has been quoted as saying in the organization's newsletter. “In Bangladesh, Brazil, Kenya and South Africa, among other countries, evidence shows that children's welfare in poor households, including nutritional status and schooling attendance, improves more when income is in women's hands rather than in men's. As it was set in rebuilding economies in developed and developing countries, we need policies that help put earnings in women's hands in poor

households, research also showed that when women are the direct beneficiaries of credit, their repayment rates are higher in all regions of the world (Borga, 2011). At the annual meeting of the Clinton Global Initiative in September 2009, Exxon Mobil announced a plan to deploy innovative technologies to advance economic opportunities for women in developing countries, in partnership with the social entrepreneurship association Ashoka and the International Center for Research on Women (Belu, 2010). Belu (2010) stated that these women tend to have little or no education and often lack confidence all factors affecting growth. An additional factor is that it cannot be assumed that the woman entrepreneur has control, or even an effective say, over loan use, even if she secures the loan from a programme targeted specifically to women. Families play an important role in female entrepreneurship; recent studies reveal two opposing pictures in this respect. In some cases, families are very supportive (Halkias, 2011) and play an important and supportive role in helping females to develop business ideas (Jamili, 2009). On the other hand, females consider families as a constraint. They receive no appreciation for their work and in most cases they are discouraged (Itani *et al.*, 2011).

Sometimes, this feeling of being discouraged also persuades women to think about self-employment in order to prove themselves (Itani *et al.* 2011). Those females who come from an entrepreneurial background - either one or both of their parents is or has been self-employed - are very confident in their business approach (Mordi *et al.*, 2010). In many societies in the developing world, females are generally not encouraged to take on leadership roles. They are perceived as being submissive and subservient to their male counterparts (Dzisi, 2008). This stereotyping poses barriers for females as in a male-dominated society, a female leader is discouraged. A study conducted in Lebanon blames cultural norms and stereotyping as one of the biggest constraints for these female entrepreneurs (Jamali, 2009). Lack of education is another prime characteristic that discourages female entrepreneurs. Evidence from a study carried out in Nigeria declared this constraint to be high priority because it triggers further problems - lack of education seems to be the root cause due to which females have a greater fear of failure (Halkias, *et al.*, 2011) and lack knowledge regarding financial resources and information along

with a lack of awareness regarding the different opportunities available. Even in developed countries such as Australia, females are unaware of the efforts of their government to facilitate them (Farr-Wharton & Brunetto, 2010).

2.3.5 Information Technology

According to ILO (2009) Poor access to markets and marketing information has been a major constraint to MSEs in Kenya, and more so for women entrepreneurs. Women entrepreneurs' access to markets should be enhanced through a number of promotional approaches and tools, such as exhibitions, trade fairs, catalogues of products produced by women, effective use of media and websites, as well as through the promotion of sub-contracting linkages. The same states that among the factors expected to hinder the growth potential of MSEs is their limited access to business services (BSs) (viz., marketing information, networking, short-term training, counseling and consultancy services) (Ishengoma & Kappel, 2010). Technology, such as mobile telephones, can play an important enabling role in providing women entrepreneurs with access to finance and development. In addition to providing access to credit, innovative initiatives like the Village Phone program in Africa also provide entrepreneurs with the necessary training to set up phone service businesses, thereby increasing women's economic participation and development, particularly in rural communities (Cantzler & Leijon, 2011). They further stated that access to marketing information is expected to increase MSEs' market knowledge about the behavior of their customers, price, and the best sources of inputs.

Through counseling and consultancy services, MSEs can solve some of the technical problems they face (Amyx, 2011). Their participation in networking activities may enable them to obtain more technical and marketing information about the behavior of their customers, in terms of honoring their debts; new customers; and business partners. All of the above are expected to decrease MSEs' transaction costs, increase their internal sources of finance for upgrading their assets, and raise their sales levels and productivity – hence leading to growth. Networking is a source of competitive edge (Miller *et al.*,

2010), it plays a decisive role during the daily operations of an entrepreneurial venture as well as for future growth (Cantzler & Leijon, 2010). As resources in an economy are always scarce, better planning to acquire these resources and their effective utilization is imperative. Efficient networking keeps an entrepreneur one step ahead of his/her competitor in grabbing these resources (Timmons, 2011).

In some cases, women derive new business ideas and opportunities from these networks (Farr-Wharton & Brunetto, 2010). Some studies describe women as being more effective in developing networks (Sorenson *et al.*, 2008); however, a lot also depends upon their personal attitude towards trust and information sharing. They like to develop networks only with people they are comfortable with and in whom they have trust (Farr-Wharton & Brunetto, 2010). In most cases, these female entrepreneurs come from close-knit families and are comfortable sharing information and seeking advice from people in their close circle (Robinson & Stubberud, 2010). It is not always true that females join or develop networks only to access resources, grab opportunities or to seek advice. Some studies mention that females use their networks just for emotional support (Roomi *et al.*, 2009).

Female entrepreneurs' encounter several issues that further exacerbate the barriers between them and their successful entrepreneurial venture. These constraints may come from their personality, immediate family, or from the environment in which they exist and the societal expectations and perceptions of the people around them. Lack of sufficient market information poses a great challenge to small enterprises. Despite the vast amount of trade-related information available and the possibility of accessing national and international databases, many small enterprises continue to rely heavily on private or even physical contacts for market related information. Muteti (2010) stated that due to inability to interpret the statistical data and poor connectivity especially in rural areas there is vast amount of information and only lack of statistical knowledge to interpret and Internet connectivity, small enterprises entrepreneurs need to be supported.

With connectivity being enhanced (by connecting Kenya globally through Fiber Optic Cable project) there is renewed hope for the SMEs to take advantage (Muteti, 2010).

2.3.6 Enterprise Sustainability

While different approaches have been used to improve the sustainability of MSEs owned by women in developing countries it is alleged that for women owned enterprises to be successful, the entrepreneurs requires basic entrepreneurial training on management of enterprises, availability of affordable loans and support from their family members (Gikonyo *et al.*, 2009). However, empirical studies indicate that access to affordable credit was a critical determinant to growth and sustainability of enterprises (Mano *et al.*, 2012). The World Bank, (2010) shared similar sentiments although it deduced that credit alone would not be the only determinant of the sustainability of SMEs; but other factors such as ability to create savings, information technology, fair competition for entrepreneurs could also be significant in determining better sustainability of SMEs in developing countries. The literature reviewed indicates that some of the outstanding factors that can be attributed to low performance enterprises owned by women in Sub-Saharan Africa included, lack of credit and savings, low levels of education and lack of entrepreneurship training World Bank, (2010). Women run businesses can be found in emerging sectors such as production and marketing of consumer goods commercial banking financial services, insurance, information services and transport. As owners of small and medium sized enterprises (SMEs) women furnish local, national and multinational companies with idea technology supplies components and business services (Jalbert, 2012). As economies liberalize and open borders women owned and operated SMEs are engaging in international trade enhancing the prominence and visibility of women entrepreneurs globally. Women in Africa constitute 52% of the total population contributing 75% of agricultural work and produce and market 60-80% of food. According to United Nations Development Programme (2013) on human development report, Women labor force in Sub Saharan in 1993 was about 73million,

representing 34% of those employed in formal sector, and earning 10% of the income while owning 1% of the assets.

UNDP (2013) despite efforts deployed towards economic empowerment of women, the majority of active female population continues to be confined in micro and small enterprises and the informal sector. Also on the same Women are organizing themselves into associations of entrepreneur's in order to enhance economic policies. However their integration into the formal sectors still constrained by limited access to credit, property, technology and technical skills. Low income women in developing countries rely heavily on commercial, small scale farm and house based micro enterprise for their family livelihood. The field of Business Development Services (BDS) attempts to help micro entrepreneurs stabilize and grow the business by providing them with access to arrange of critical services from training to technology market access and infrastructure (Jones, 2010).

UN (2014) sported that Women face not only generally barriers for SMEs (weak institutional support to SMES, lack of access to credit) but also gender specific business such as lack of collateral due to uneven sharing of privatizing gains lack of network and traditional views in women roles. They have greater difficulty in obtaining credit, finding businesses partners, getting information on opportunities. A major conclusion that needs to be noted in the area of the economy relates to increasing employment opportunities through fostering women access to self-employment and entrepreneurship (Benn, 2010).

According to research conducted by the Center for Women Business Research in United States Economic Commissions for Europe (2009) over half a dozen countries found out that women share concerns about the following challenges: Access to information-women want better access's to education, training and counseling; Access to capital-access to capital is very important issue for any business who often lack formal education in financial matters and who may face gender based barriers to accessing

financing; Access to markets, women want better access to existing ways of sharing information about programmes and services that are available to all business such as government procurement and corporate purchasing opportunities in international trade; Access to networks-women want full access to networks such as industry specific and general business associations; Validation-Women want to be treated seriously as business owners (Borga, 2011). According to UNECE (2010) if the five areas are addressed by those involved in business development issues their business ownership will not only continue to grow, but will thrive even more strongly .Women entrepreneurship can provide the fuel for economic growth and opportunity for communities around the world. Financing women enterprises is a global challenge, there are several challenges that women face in accessing finance (Anwar, 2010). These challenges include women often having smaller amounts of personal capital available for startup, women have a greater need for external funding, yet difficulty obtaining such difficulty, they also lack knowledge about available options and the costs of getting this information may be high due to family responsibilities banks and financial intermediaries may have inaccurate perceptions of women borrowings and entrepreneurial behavior, women may be asked to pay higher interest rates or provide higher guarantees (UNECE, 2010).

A comparison of women entrepreneurship across various groups of countries highlights the diverse ways in which women may experience common challenges. In the UK and the US women have difficulties accessing finance because they are not take seriously in male dominated banking world many problems of women entrepreneurs in South Eastern Europe and the US countries are related to the weaknesses of financial institutions and many countries traditional views about property rights (Benn, 2010).

2.4 Empirical Review

James, (2011) on the effect of Bishara Bora Loan (BBL) on sustainability of Small Medium enterprises owned by Faulu Commercial Bank, Ruiru branch customers with objectives to review the lending procedures of biashara bora loan, to assess the effect of BBL on SMEs sustainability and to find out the challenges faced in lending to women owned SMEs, found out that besides BBL, there are other factors believed to have an effect on business sustainability. It also found no conclusive results on the relationship between entrepreneurs' competition and enterprise sustainability. Of the 51% respondents who received training market survey in their areas of business, 49.5% reported that their businesses were doing well, concluding that relevant training can produce positive results in the running of businesses.

Hampton (2012) concluded that infant International businesses need support in their early years when their motivation is high and innovation is low and that collateral requirements at Faulu Ruiru should be made a bit flexible and repayment period should be increased to at least a year because SMEs only manage to access a small amount of loan due to short repayment periods. 53% of BBL customers interviewed felt the process was cumbersome. Some felt that after availing all the required documentation, the turnaround time was not acceptable. 52% of the entrepreneurs utilized the loan advanced 100% for working capital and their revenue increased from previous thus boosting the enterprise sustainability. 11.9% diverted the amounts advanced and they confessed as having difficulties in meeting their repayments on time. They also saw their sales turnover decrease from the previous due to the increase in operating costs brought about by the interest rates on the loans advanced. The study also found a positive correlation between BBL and entrepreneurs business sustainability and concluded that young businesses require more support financially to supplement their working capital. The study recommended that Faulu bank had a few issues to address such as lending procedures, collateral requirements and repayment period to ensure better customer

satisfaction and that further research should be done on entrepreneur's competencies, competition and government regulations (Gihira, 2011)

Another study by Gathitu (2007) on Factors affecting sustainability of entrepreneurs in privately run secondary schools in Thika had objectives, to find out factors that entrepreneurs consider important when locating a business (Borga, 2012). To identify the resources and facilities entrepreneurs consider important for a secondary school, to determine the sustainability of private secondary school owned by professional teachers. To investigate whether those schools owned by professional teachers are more successful than the rest, to investigate the type of labour used by entrepreneurs in private schools, to investigate the problems faced by entrepreneurs in secondary schools and what entrepreneurs thought could solve these problems. The study found out that many entrepreneurs do not have access to skilled labour in managing these schools, but use unskilled labour which affects sustainability of these schools (Dickson, 2012). It also found out that marketing strategies used were wanting and that most entrepreneurs appear to have more charity like objectives than business, which explains why their enterprises are not doing well. The study recommended that the government should have a policy change to encourage more entrepreneurs to start private schools (Borga, 2012). The study notes that the government is the main beneficiary of private schools as their presence would go a long way in reducing its fiscal burden in education. The entrepreneurs should also be more aggressive in marketing their schools and getting trained teacher for their sustainability.

Many location decisions are based on personal preferences that could mean that a business owner will locate a business within proximity. It is important though for an entrepreneur to eliminate personal preferences that are emotional other than rational (Gichira & Dickson, 2010). It is very important for a business to be near market areas in order to serve the customers. A business owner must study the market and find out who is interested in buying your service or product. Since almost all businesses need to have extra hands apart from the owner, it therefore needs to be located close to workers you

need. Some areas especially the remote areas do not attract workers. Some communities will seek development and will welcome new business ventures while others will be hostile. Where the community is hostile, the location should be avoided as it affects the business negatively (Gichira & Dickson, 2010).

Kinyua (2014), researching on factors affecting the sustainability on women owned enterprises on SME's of small and medium enterprises in the Jua Kali Sector in Kisumu town, Kenya with objectives to investigate the role of finance, management skills, macro-environment factors and infrastructure on performance of small and medium-sized enterprises in the Jua Kali sector in Kisumu town. The findings indicated that; that access to finance had the potential to positively affect sustainability of SMEs; management skills were found to positively and significantly affect performance of SMEs; macro environment factors were found to significantly affect sustainability and Infrastructure did not significantly affect performance of SMEs in the study area (Lawrence, 2012). The study results also indicated that as number of years in operations increased the performance in SMEs increased. The study recommended that banks should improve access to finance through offering better lending terms and conditions and collateral requirements.

2.5 Critique of the Existing Literature

In looking at sustainability, a research by Lawrence *et al.* (2009) on 811 New Zealand SMEs, comparing sustainability practices between small, medium and large-sized enterprises. They included natural environmental practices related to policy statements, programs, management systems and reporting, recycling programs and waste and resource management. The social concerns were facilitating employee training and education, flexi-time, stress management, community projects, and charity work. They found that, although SMEs had relatively fair social concerns particularly towards the employees and the communities, most did not have formal environmentally-friendly reports (Hampton, 2011). In another study, Borga *et al.* (2009) developed sustainability

reporting guidelines for SMEs, which they claimed were “simpler and clearer” than Global Reporting Initiatives (GRI) and Company Environmental Reports (CERs) that are commonly adopted by big business such as Coca Cola. Borga *et al.* (2009) also contended that a lack of sustainability reporting guidelines was one of the main barriers for SMEs applying sustainability. The guidelines represent essential interaction and communication mediums for SMEs and were formulated from literature and case studies on Italian SMEs. The result was a detailed reporting on elements of company identity, economic impact, social impact, and natural environmental impact. Economic impact covered economic performance indicators, such as shareholders’ equity and profit/loss.

Social impact contains indicators identifying relationships between business and employees, customers, suppliers, local communities, public authorities, and other stakeholders; whereas natural impact identified environmental policy, raw material, energy, water consumption, air emission and noise level, waste management, and environmental impact of products. However, the studies of Borga *et al.* (2009) and Lawrence *et al.* (2009) did not sufficiently explore the challenges facing entrepreneurs’ sustainability such as financial and gender related issues. Hubbard (2010) adopted the sustainable value framework of Hart and Milstein (2009) and extended it with ideas from the balance scorecard and stakeholders theory to construct a sustainable balanced scorecard framework and organizational performance index. He included as the elements: customers, social performance, natural environmental performance, finance, internal process, and learning and development performance. He applied several important economic issues to the social element; for example, he chose market share, the number of new customers, and the order cycle time as social dimensions to sustainability, rather than customer satisfaction, level of customers’ involvement, and privacy protection of customers’ data(Lawrence *et al.*, 2009). But, he applied a single measure for each element. For instance, employee satisfaction was the only criteria to measure employees’ fulfillment, which has potential to be split into several measurements, such as employee benefits, training, labor turnover, and equality of treatment, as proposed by (Borga *et al.*, 2009).

According to Will (2009) there is a shift in vision of business sustainability from merely a business vision to that of a social vision, where sustainability goes beyond legal requirements. However, Belu, (2010) evaluated 1,012 companies listed on the world stock markets to reveal many demonstrated low sustainability performance. Even the financial sector had lower levels of sustainability than the primary industry. According to Belu (2009) this was because banks, insurance companies and other firms in the financial sector had already achieved very good financial performance levels, and therefore tended to neglect sustainability issues. SMEs' reluctance to implement sustainability is possibly because, as studies show, sustainability seems not to significantly affect the firm's financial performance. For example, research by Scholtens (2010) reveals that financial performances have a weak relationship with firms' sustainability. Other studies show that financial performance and sustainability has a negative relationship. This means that when firms in the service sector increase their sustainability, financial performance declines.

This might be caused by the service sector not using inputs and outputs that significantly affect natural and social life, or, they may have little public attention so there is less pressure from stakeholders (Werbach, 2009). Either way, sustainability is likely to be abandoned. Moreover, many firms that claim to have properly implemented sustainability, only carry out charity programs to poor communities or practice waste treatment management, or use renewable natural resources. However, as Savitz and Weber (2010) firmly state, "sustainability is not about philanthropy there is nothing wrong with corporate charity, but the sustainable firm conducts its business so that benefits flow naturally to all stakeholders

Borga *et al.* (2009) claimed that although large firms with big capital are reluctant to implement sustainability, the level of sustainability in SMEs is even lower because SMEs commonly lack resources, access, and business record (Borga *et al.*, 2009). In addition, as Masurel (2009) note, SMEs receive less public, government, community, and media attention which make them less aware of environmental issues. Similarly,

Lawrence *et al.* (2009) analyze firms' sustainability by comparing the practices over small, medium, and large enterprises. However, they do not provide detailed information of firms' sustainability practices. A more promising approach is taken by Benn *et al.* (2009), who present criteria of human and ecological sustainability to describe firms' level of sustainability. According to Benn *et al.* (2009), the implementation of firms' sustainability can be viewed from two perspectives namely human sustainability, which gives an overview of development and fulfillment of human needs. Human sustainability, as a social dimension, shows human behavior in a business entity as one which uses resources and deals with external demand. Ecological sustainability, as a natural dimension, emphasizes human behavior in a business entity as viewing and impacting on the natural environment through the firm's strategy and decision making (Benn, 2009).

2.6 Research Gaps

Several researchers, such as Lawrence *et al.* (2010) have provided sustainability indicators to measure a firm's sustainability, however, most do not discuss the firm's challenges affecting sustainability, which is formulated by Benn *et al.* (2010), consists of 6 (six) levels: rejection, non-responsiveness, compliance, efficiency, strategic pro-activity and the sustainability enterprises.

Secondly, Benn *et al.* (2009) do not reveal how to measure a firm's economic dimension, which is a basic part of the Elkington's triple bottom line (TBL) (Savitz & Weber, 2010). Consequently, it is necessary to combine measurements of several economic dimensions, such as those developed by Hubbard (2010). These measurements are: return on asset (ROA), return on investment (ROI), return on equity (ROE), average stock return (ASR), and efficiency and cost saving. However, SMEs may have difficulty providing these data.

Thirdly, Hubbard (2010) gives an idea of how to measure a firm's sustainability using a balanced scorecard, which has already become a common concept. But, he did not consider the external parties and issues beyond the present time such as technology, which are important elements of sustainability. Thus it is essential to adopt the approach of Hart & Milstein (2009) who considers the internal and external parties, as well as present and future issues.

Fourthly, many studies have provided sustainability measurements, but they have discussed these from different and partial points of view. As examples: Benn *et al.* (2010) only discuss the social and natural dimensions to sustainability and do not focus on SMEs; Hubbard (2009) focuses more on economic dimensions but only as applicable to large enterprises; and Rao *et al.* (2009) assess the relationships between dimensions. Therefore, it is important for SMEs to integrate these studies. Additionally, the research of Borga *et al.* (2009) and Lawrence *et al.* (2009) are also useful as they provide comprehensive sustainability measurements for SMEs, particularly in the manufacturing industry. Therefore, the contribution of this study will be to provide comprehensive criteria for challenges facing SMEs sustainability in developing countries especially those owned by women and specifically in Kenya (Hair, 2010).

2.7 Summary of Literature Reviewed

According to UN (2013) Kenya's population was just under 32 million. GDP in 2002 was reported to be Ksh. 850.1 billion (equivalent to 32 billion international dollars in PPP), resulting in a GDP per capital of Ksh. 26,996 (international \$1,120 in PPP). It stated that the economy has been deteriorating over the past two decades, with low economic and employment growth and a decline in productivity. The percentage of people living below the poverty line has increased steadily since 1990 and is estimated at 56 per cent in 2003.

Two thirds of Kenyans live in rural areas and 75 to 80 per cent of employment is in the agricultural sector. Kenya's liberalization efforts began in earnest in 1994 following its move to a multi-party system UN (2012). However, because of government downsizing and the retrenchment of many large private sector and foreign-owned firms, formal sector employment has been decreasing. Lack of employment alternatives has thrust a growing number of people into self-employment activities to ensure a livelihood (Gartner, 2010). Throughout the 1990s the growth rate of the informal economy considerably outpaced that of the formal sector. From 1999-2002, the MSE sector was responsible for generating 675,000 jobs annually. Struggling to thrust the country into a state of economic recovery, the new government has stated its commitment to "integrating the MSE sector into the national economic grid causing the government to take a serious look at the potential of the informal and micro and small enterprise (MSE) sectors for driving employment and economic growth thus a need for this study (Halkias, 2011).

UNEP (2012) stated that African women entrepreneurs are playing an increasing role in diversifying production and services in Africa economies. It is also fostering women's entrepreneurship development is crucial for the achievement of Africa's broader development objectives, including economic development and growth. However, many women entrepreneurs are operating in more difficult conditions than men entrepreneurs. The constraints that impede all entrepreneurs such as political instability, poor infrastructure, high production costs, and non-conducive business environment, tend to impact more on businesswomen than businessmen. In addition, women's entrepreneurial development is impeded by specific constraints such as limited access to key resources (including land and credit), the legal and regulatory framework, and the socio-cultural environment (Hampton, 2011). Furthermore, the combined impact of globalization, changing patterns of trade, and evolving technologies call for skills that women entrepreneurs on the continent do not for a large part possess, as many more women than men lack the requisite level of education and training, including business and technical skills and entrepreneurship training (Karsarda, 2009).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this chapter information pertaining to the research design, the population and sampling, sample and sampling procedures will be discussed.

3.2 Research Design

A descriptive and explanatory survey approach was adopted to obtain information concerning sustainability of women owned enterprises. The purpose of descriptive and explanatory was basically to observe, describe and document aspects of situations as it naturally occurred and also to give an opportunity for gaining insights into the study population and the variables studied. It also allowed for causal explanations and univariate, bivariate, and multivariate analysis which allowed determination of relationships of variables by the use of factor analysis and multiple regressions. This also allowed for use of inferential statistics to establish significance in relationships between the dependent and independent variables (Hair *et al.*, 2010) hence test hypotheses. The fact that it is not concerned with characteristics of individuals but to provide with the information about population (Kothari, 2009).

3.3 Target Population

The study targeted 1200 women entrepreneurs within Mt Kenya region who were registered by Ministry of Trade in the region to operate businesses. Target population refers to the aggregate or totality of all objects, subject or members that conform to set of specification (Pilot & Hungler, 2011). On the other hand (Kombo *et al.*, 2010) states that population refers to a larger group from which sample are taken. It consists of all elements-individuals, items, or an object whose characteristic is being studied. The

population that is being studied is also called the target population (Polit & Hungler, 2011).

Table 3.1: Sampling Frame

County	Women Entrepreneurs
	Target Population(Frequency)
Kirinyaga County	200
Murang'a County	150
Nyandarua County	220
Nyeri County	180
Embu County	140
Meru County	210
Laikipia County	100
Total	1200

Source: Ministry of Trade (2014)

3.4 Sampling Frame

Kothari (2010) explains that sampling is the procedure of selecting a representative of the total population as much as possible in order to produce a miniature (small) cross section. Best (2011) defined a sample as a small proportion of a target population selected for analysis. Stratified random sampling technique was used to draw the sample. This method assisted in improving the presentation of each stratum (groups) within the population, as well as ensuring that those strata were not over-represented. According to the Mt Kenya region database, the population of women small and medium enterprises are classified into 8 categories namely; Agri-business, Hotels and restaurant, rentals, cosmetics and beauty shops, cereals, motor vehicle spare parts, transport and merchandise within the region.

According to Mugenda and Mugenda (2010), a sample of 10-30% is good enough if well-chosen and the elements in the sample are more than 30. Mugenda and Mugenda (2010) further explain simplified formula for calculating sample size of a population that is less than 10,000 as below:

$$n = \frac{nf}{1 + n/N}$$

Where: nf = the desired sample size when the population is less than 10,000

n = the desired sample when the population is more than 10,000

N = the estimate of the population size

$$n = \frac{475}{1 + 475/1200} = 120$$

This gives a sample size of 120 respondents as indicated in the table 3.2 below.

Table 3.2: Sample Size

Category	Frequency	Sample	Sample size
		Proportion	
Hotels/restaurant	90	10%	9
Rental	180	10%	18
Cosmetics/beauty	120	10%	12
Cereals	180	10%	18
m/v spare parts	120	10%	12
Agri-business	240	10%	24
Merchandise	90	10%	9
Transport	180	10%	18
Total	1200		120

Women owned enterprises were stratified according to the business categories and then randomly selected from the list. First a stratification of the women enterprises was classified according to 8 categories within the region the items within each stratum had equal chance of selection. The sample from each county within a category was computed by finding the ratio between the county target population and total regional target population multiplied by sample size i.e $\text{County target population} / \text{Total regional target population} * \text{sample size of each category}$.

Table: 3.3: Sampling Ratios

County	Target Population	Percent
Kirinyaga County	200	16%
Murang'a County	150	12%
Nyandarua County	220	17%
Nyeri County	180	15%
Embu County	140	11%
Meru County	210	19%
Laikipia County	100	10%
Total	1200	100

The above ratios were subjected to all counties for each category to derive specific samples. According to Kombo *et al.* (2010) he states that stratified random sampling involves dividing your population into homogenous sub groups and then taking a simple random sample for each group/strata. Random sampling was employed to minimize the biasness in data collection although it must be acknowledged that the sample may not be representative of a full social spectrum and mainly comprised of the medium and small women enterprises excluding the micro enterprises.

As Kerlinger, (2010) admitted, “unfortunately we can never be sure that a random sample is representative of the population which is taken. The ‘randomness’ of a sample, as Moses and Kalton (2011) remind us in, relates to the mode of selection, and not the results of the sample itself. A most randomly chosen sample may be the least representative that is it might leave an entire significant variable out of a sampling frame (Kalton, 2011).

3.5 Data Collection Instruments

Primary data was collected using questionnaires that were administered. A questionnaire enabled the researcher to get first-hand information about the problem. It also provided an opportunity for anonymity to promote high response rate (Mugenda & Mugenda, 2012). Gall and Borg (2010) points out that, questionnaires are appropriate for studies since they collect information that is not directly observable as they inquire about feelings, motivations, attitudes, accomplishments as well as experiences of individuals. Further observe that questionnaires have the added advantage of being less costly and using less time as instruments of data collection. The semi-structured questionnaires were administered through drop and pick-later method to the sampled population. The researcher also interviewed personnel within the women enterprises to get a greater insight into the problem under investigation. A certain degree of flexibility was permitted to allow the respondents ask questions and raise issues as this enhanced in trying to solve the problem (Srivastava *et al.*, 2011).

3.6 Data Collection Procedure

The researcher made physical field visits to obtain more information on the variable under investigation. The researcher conducted personal interviews on information in Competition, Capital, labour, Domestic related and Information technological challenges affecting sustainability of women owned enterprises so as to be able to get more clarification from the respondents through continuous probing. Similar techniques have been used with significant success, (Srivastava *et al.*, 2011). This method was used to compliment the questionnaire and improve the quality of information gathered.

3.7 Pilot Testing

The researcher adopted the test retest method of assessing reliability of data between different time intervals. This involved administering the questionnaire on two occasions on the same population. This was made possible by the large target population. A study

by Fink (2003) argues that for many student questionnaires, the minimum number for a pilot is 10 subjects although for large surveys between 100 and 200 pilot responses is usual (Dillman, 2011). Cooper and Schindler (2012) on the other hand feels that a size of pilot group may range from 25 subjects to 100 depending on the method to be tested, but the respondents do not have to be statically selected. A pilot study was undertaken on at least 25 women owned SMEs to test the reliability and validity of the questionnaire. The stratification was based on the type of business that the 25 SMEs owners were operating. This comprised of Agri-business, Hotels and restaurant, rentals, cosmetics and beauty shops, cereals, motor vehicle spare parts, transport and merchandise. The rule of thumb is that 1% of the sample should constitute the pilot test.

3.8 Data Reliability and Validity Test

Reliability is the consistency of a set of measurement items while validity indicates that the instrument is testing what it should (Cronbach, 1951). Reliability is the consistency of your measurement, or the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects. In short, it is the probability of your measurement. A measure is considered reliable if a person's score on the same test given twice is similar. It is important to remember that reliability is not measured, it is estimated. Reliability does not, however, imply validity because while a scale may be measuring something consistently, it may not necessarily be what it is supposed to be measuring. The researcher will use the most common internal consistency measure known as Cronbach's alpha (α). It indicates the extent to which a set of test items can be treated as measuring a single latent variable (Cronbach, 1951). The recommended value of 0.7 will be used as a cut-off of reliabilities. Cronbach's alpha is a general form of the Kuder-Richardson (K-R) 20 formulas used to assess internal consistency of an instrument based on split-half reliabilities of data from all possible halves of the instrument. It reduces time required to compute a reliability coefficient in other methods (Mugenda & Mugenda, 2010).

Reliability analysis was done using Cronbach's Alpha as the measure. A reliability coefficient of $\alpha \geq 0.7$ will be considered adequate. In this case, a reliability coefficient of 0.805 will be registered indicating a high level of internal consistency for the Likert scale. (Mugenda, 2012) Internal consistency method has higher degree of stability in comparison to other methods. This method was popularized by Cronbach Alpha statistics within the instruments and assesses how well the items measure a particular behavior or characteristic.

3.9 Data Analysis and Presentation

3.9.1 Descriptive Analysis

The questionnaires were checked for completion. Mugenda and Mugenda (2010) assert that data obtained from the field in raw form is difficult to interpret unless it is cleaned, coded and analyzed. Qualitative analysis consisted of examining, categorizing, tabulating and recombining evidences to address the research questions. Qualitative data were grouped into meaningful patterns and themes were observed to help in the summarizing and organization of the data. Descriptive statistics (frequency analysis) was performed for presenting and analyzing the data. Descriptive analysis involves the calculations of frequency distributions, percentages, mean, mode and standard deviation. The employment of descriptive statistics allowed for the reduction and summary of data as well as analysis of items or variables so as to provide greater insight as to the characteristics of the sample on all the variables. Descriptive statistics assisted in describing the aggregation of raw data in non-numerical terms (Neumann, 2000). The descriptive statistics involved the use of univariate, bivariate and multivariate analyses.

3.9.2 Inferential Statistics

Quantitative analysis was analyzed through the use of statistical techniques such as frequency counts, percentages, arithmetic means, modes, pie charts and tabulation to show differences in frequencies. Qualitative data was analyzed descriptively. Bar charts

were used to display nominal or ordinal data. Statistical Package for Social Sciences (SPSS) versions 20.0 was used to aid in coding, entry and analysis of quantitative data obtained from the closed ended questions. This enabled to estimate the characteristics of the population and test the various hypotheses between the different variables, also allowed the assessment of the outcomes by conducting statistical tests to determine the statistical significance of the relationships by the use of p-values.

The correlation between (dependent variables) competition, capital, labour, domestic and information technology challenges and sustainability of enterprises were determined and tested for significance using Chi-square tests. The Chi-square test is normally used to test for the dependency of one variable on another. Respondents falling in each cell of the table were counted and the Chi-square value was calculated and tested for significance at a significance level of 5%. P-values were determined, using Pearson Chi-square test and were considered statically significant when less than 0.05.

3.9.3 Multiple Regression Analysis and Model

Multiple regression models was employed in the study to test the relationship between the (dependent variables) competition, capital, labour, domestic and Information technology challenges on the sustainability of women enterprises (dependent variables). The multiple regression was used to examine the causality (predict the levels) between dependent and independent variables. Multiple regression equation will be as follows:

Analytical model

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Y = **Enterprise Sustainability** (Stock levels, Profitability, Investment diversification)

β_0 = Constant (Co-efficient of intercept)

X1 = **Competition** (Market survey, Rivalry between men & women, Advertisement techniques)

X2 = **Access to Capital** (Collaterals, Government funding(women & youth funds), Sources of finance)

X3= **Access to Skilled Labour** (Wage rate levies, Methods of recruitment, Levels of motivation)

X4= **Domestic attachment** (Support and assistance from relatives and spouses, Form of enterprise ownership, Time devoted in enterprise management)

X5= **Information Technology** (Production techniques, Market information gathering, Level of automation)

ϵ . = Error Term

β_0 β_5 = Regression model parameters

Inferential statistics such non parametric test which include analysis of variance (ANOVA) were used to test the significance of the overall model at 95% level of significance. According to Mugenda (2010) analysis of variance is used because it makes use of the F – test in terms of sums of squares residual.

3.9.4 Operationalization and Measurement of Study Variables

Operationalization and measurement of variables provided the basis of analyzing all variables both Independent and Dependent together with their constructs to have a clear insight.

Variable	Indicator	Measure	Scale	Instruments
Competition	Market survey	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire
	Rivalry between men & women	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire
	Advertisement technique	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire
Capital accessibility	Collaterals	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire
	Government funding(Women& Youth funds)	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire
	Sources of Finance	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire
Skilled Labour Accessibility	Wage rate levies	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire
	Method of Recruitment	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire
	Levels of Motivation	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire

Domestic Attachment	Support & assistance from	likert scale Interval	5 point likert scale, open ended questions	Questionnaire
	Family	open response	ended questions	
	Form of Enterprise	likert scale	5 point likert	Questionnaire
	Ownership	Interval open response	scale, open ended questions	
	Time devoted In enterprise	likert scale	5 point likert	Questionnaire
	Management	Interval open response	scale, open ended questions	
Information Technology	Production Techniques	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire
	Market Information	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire
	Level of Automation	likert scale Interval open response	5 point likert scale, open ended questions	Questionnaire

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The chapter represents the empirical findings and results of the application of the variables using techniques mentioned in chapter three. Specifically, the data analysis was in line with specific objectives where patterns were investigated, interpreted and implications drawn on them. Descriptive statistics such as mean and standard deviation were used to analyze the data. Regression analysis was used to test the relationship between the variables under study in relation to the objectives of the study. Analysis of variance (ANOVA) was used to confirm the findings of regression

4.2 Response Rate

From the data collected, out of the 120 questionnaires administered, 90 were filled and returned, which represents 75% response rate. This response rate is considered satisfactory to make conclusions for the study. Mugenda and Mugenda (2012) observed that a 50% response rate is adequate, 60% good and above, while 70% rated very good. This collaborates with Amyx (2013) assertion that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This implies that based on this assertion, the response rate in this case of 75% is therefore very good. The recorded high response rate can be attributed to the data collection procedures, where the researcher pre-notified the potential participants (women entrepreneurs) of the intended survey, utilized a self-administered questionnaire where the respondents completed and these were picked shortly after and made follow up calls to clarify queries as well as prompt the respondents to fill the questionnaires.

4.3 Reliability Results

The reliability of an instrument refers to its ability to produce consistent and stable Measurements. Kent (2010) explains that reliability can be seen from two sides: reliability (the extent of accuracy) and unreliability (the extent of inaccuracy). The most common reliability coefficient is the Cronbach's alpha which estimates internal consistency by determining how all items on a test relate to all other items and to the total test - internal coherence of data. The reliability is expressed as a coefficient between 0 and 1.00. The higher the coefficient, the more reliable is the test.

In this study to ensure the reliability of the instrument Cronbach's Alpha was used. Cronbach Alpha value is widely used to verify the reliability of the construct. Therefore, Cronbach Alpha was used to test the reliability of the proposed constructs. The findings indicated that competition had a coefficient of 0.902, Capital accessibility had a coefficient of 0.901, Skilled labour accessibility of 0.887, Domestic attachment of 0.876 and Information technology of 0.854. All constructs depicted that the value of Cronbach's Alpha are above the suggested value of 0.5 thus the study was reliable (Kent, 2010). On the basis of reliability test it was supposed that the scales used in this study is reliable to capture the constructs.

Table 4.1: Reliability Test of Constructs

Sustainability	Reliability Cronbach's Alpha	Comments
Competition	0.902	Accepted
Capital accessibility	0.901	Accepted
Skilled labour accessibility	0.887	Accepted
Domestic attachment	0.876	Accepted

4.4 Demographic Data

The study sought to establish the demographic data of the respondents. The research begun by a general analysis on the demographic data got from the respondents which included;- type of business, age, marital status, nature of business, duration of business existence, form of business ownership, academic qualification of the respondents, number of competitors. This research targeted 120 participants in regard to establishing the factors affecting sustainability of women owned SMEs and 90 questionnaires were generated

4.4.1 Age Bracket of the Respondents

In the survey, the respondents were asked to state the age category they were in. Out of the targeted 120 women entrepreneurs 45 (50%) of the respondents were between 26-36 years of age, 20 (22.2%) of the respondents were between 36-45 years of age, 10 (11.1%) of the respondents were between 18-25 years of age, 10 (11.1%) of them were between 46-55 years of age, while only 5 (5.56%) were over 50 years old. This result illustrates that SME owners are generally active between the ages of 18- 50. It is also in agreement with the findings by Price (2010) who maintained that there are two natural age peaks correlated to entrepreneurship, namely the late twenties and mid-forties. The study findings are almost similar to a study done in America by Muijanack, Vroonhof and Zoetmer (2011) who determined that the optimum age for entrepreneurs was 25-35. The age of 25-35 is therefore the age at which entrepreneurial capacity of the respondents was active.

Table 4.2: Age Bracket of the Respondents

Age limits	Frequency	Percent
18-25	10	11.1
26-36	45	50
36-45	20	22.2
46-55	10	11.1
Over 56	5	5.6
Total	90	100

4.4.2 Marital Status of the Respondents of the Respondents

The study also revealed that 65 % of the entrepreneurs were married, 29 % single, 4% divorced and only 2% was a widower. Marriage or parental obligations may have an effect on an entrepreneur's decision to spend all his/her time in the business. Especially, marriage can be a possible limitation for women to become economically active, because of the gender-based thought in the society. And also married women or women with children face more problems balancing their work and family. On the other hand, having a partner with an income makes it easier for women to take risks in venture creation than women whose family depends on them (Belu, 2010). Athane (2010) found that women are more supportive and active in their spouse's business than men are in the businesses of their wives. Also, despite having a husband who helps with the family responsibilities, women have a tendency for guilt and anxiety when staying long hours away from their families and homes. At the same time lots of mothers are successful

entrepreneurs, but difficulties of balancing their family responsibilities with business duties should not be underestimated. It is therefore inferred from this study that marriage was very important especially for women entrepreneurs.

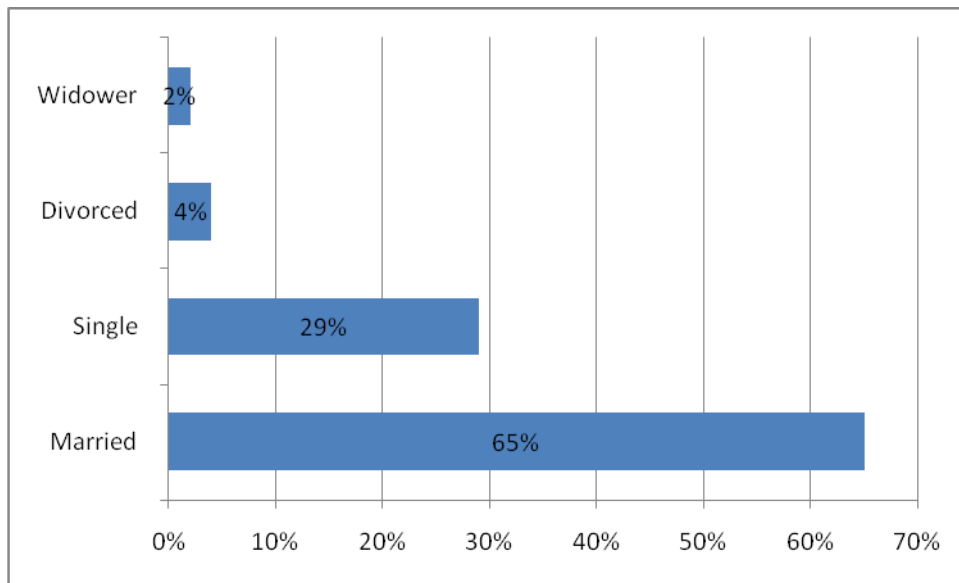


Figure 4.1: Respondents' Marital Status

4.4.3 Nature of Business

The study investigated the nature of the business that the respondents were running. The descriptive statistics also show that majority 30 (25.6%) of the target enterprises were in Agri-business, followed by service sector enterprises at 28.8% (20.9%), and merchandise at 20(17.5%) others includes Hotels and restaurants 17(14.5%), rental 15 (13%), cereals 12 (10.3%), transport 10(8.5%) and lastly cosmetics 8 (6.8%) as shown in figure 4.2 below. This could be attributed to the fact that Mt Kenya region is agricultural oriented hence requiring relatively lower initial investment capital as compared to manufacturing and service sectors thereby reducing barriers to entry (Moore *et al.*, 2011).

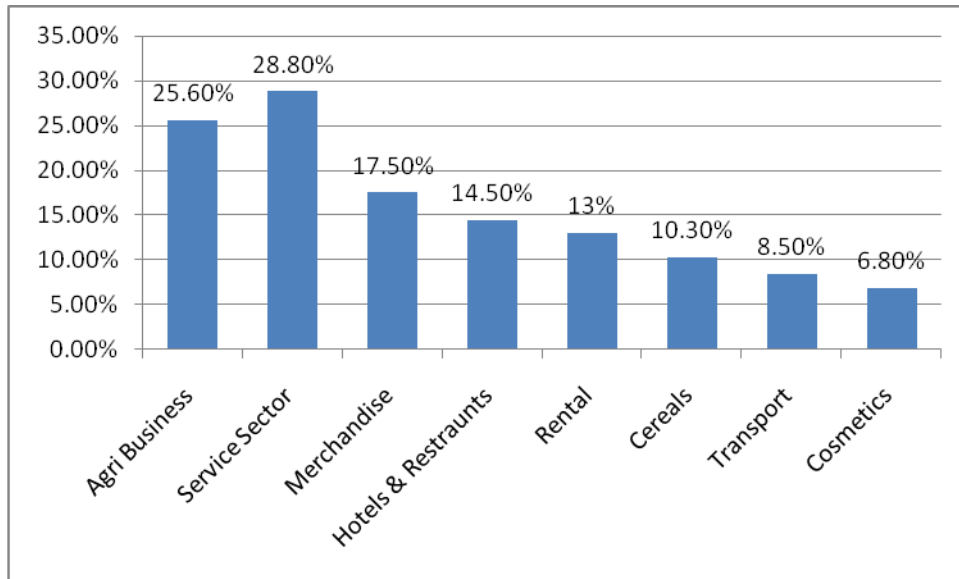


Figure 4.2: Nature of Business

4.4.4 Duration of Time Business has been In Operation

Eighty seven (87) (41.7%) of the respondents have been in operation for between 5 and 8 years, 25 (20.8%) have been in operation for between 2 and 4 years, 30 (25%) have been in operation for less than 2 years, 15 (12.5%) have been in operation for between 8 and 10 years as shown figure 4.3.

This result indicates that the majority in Kenya (41.7%) have operated for less than ten years. This result is consistent with previous empirical studies on the age of SMEs in South Africa by Rwigema and Karungu (2012), in a study of SMEs in Johannesburg, stipulate that forty seven percent (47%) of enterprises surveyed had operated between one and ten years.

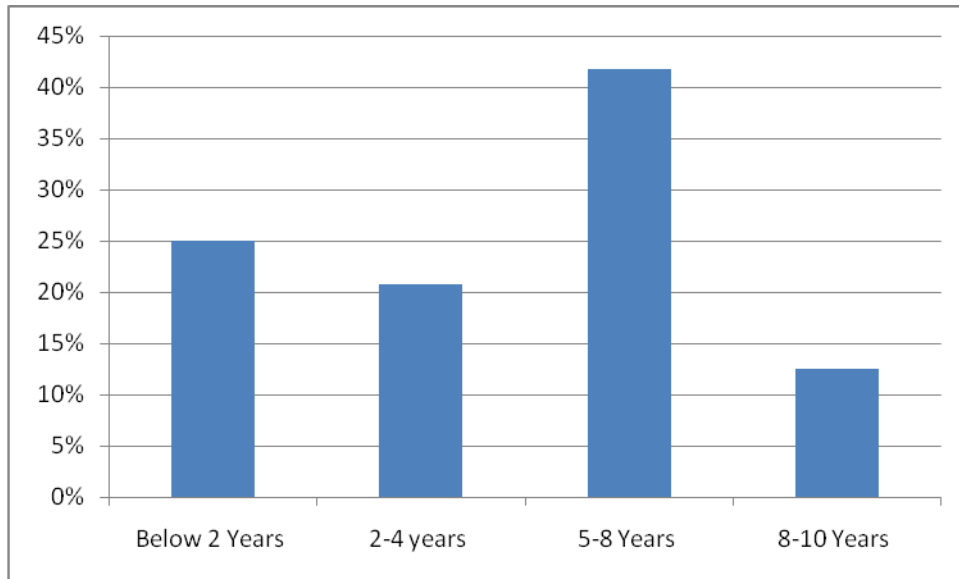


Figure 4.3: Duration of Time the Respondents' Businesses has Been in Existence

4.4.5 Current Ownership of the Respondents Business

50 (55.6%) of the respondents indicated that they owned their SMEs. However, 20 (22.2%) of the respondents were partners, 13 (14.4%) were managers, 7 (7.8%) were Co-owners. This result is in agreement to a study that was conducted in Cyprus by Bruce et al. (2010) which showed that more than eighty percent (80%) of small manufacturing enterprises are family operated or managed. This result is also consistent with the National Small Business Act of South Africa of 2010 as amended in 2012 which expects small businesses to be managed by their owners. The study findings are presented on table 4.3 below.

Table 4.3: Current Ownership of the Respondents Business

Ownership	Frequency	Percent
Family Owned	50	55.6
Co-owner	7	22.2
Partner	20	14.4
Manager	13	7.8
Total	90	100

4.4.6 Level of Education

The respondents were further requested to indicate their highest level of education. It is important to consider the level of education of the respondents because it has an impact on the way the respondents interpret the questions. The study found out that majority (55.6%) of the respondents was primary school leavers while 38.9% were secondary school leavers. Those who had a college level of education were the least at 5.6%. The study findings are shown in figure 4.4 below.

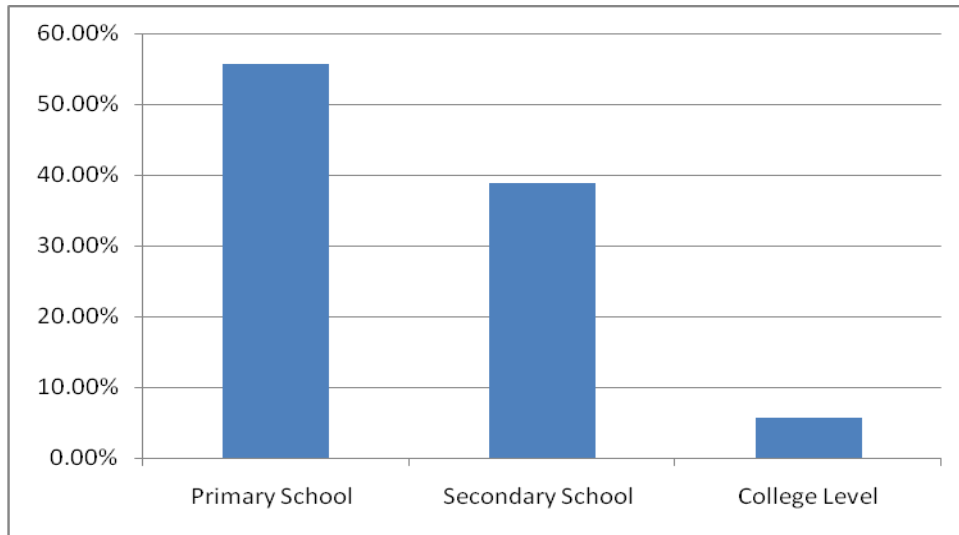


Figure 4.4: Level of Education

4.5 Study variables

4.5.1 Competition

The study sought to investigate the influence of competition on the sustainability of women owned SMEs in Kenya. Specifically, the study focused on the market survey, rivalry between men and women and advertisement techniques.

Market survey

The study sought to find out whether market survey influence the sustainability of women owned SMEs. From figure 4.5, 30.3% of the respondents indicated that market survey influence the Sustainability of women owned SMEs to a very great extent, 25.3% indicated that market survey influences the sustainability of women owned SMEs to a great extent, 21.8 % indicated that market survey influence the sustainability of women owned SMEs to a moderate extent, 16.3 % indicated that market survey influence the sustainability of women owned SMEs to a low extent while 6.3 % indicated that market survey influence the sustainability of women owned SMEs to a very low extent.

The findings relate with those of Werbach, (2009) who found that market survey is a much obstacle on sustainability of small business. Souder's study also suggests that informal networks and influence are an important success factor for organizational entrepreneurs. In addition to possessing technical and market knowledge, a key to entrepreneurial effectiveness is the extent to which the entrepreneur is known by many others throughout the firm and who is trusted, respected, and influential. In other words, someone who has built on market survey can be successfully used to build a network of support around the new innovation (Kanter, 2010).

The findings collaborate with those of Papulova and Mokros (2010) who observed that Market survey is important in businesses that relate to agribusiness, manufacturing and other orientations. Rue and Byers (2011) in their theory of management competencies view market survey as very important to women owned enterprises. The study findings shows that market survey contribute to a very great extent, great and, moderate on the sustainability of SMEs in Kenya.

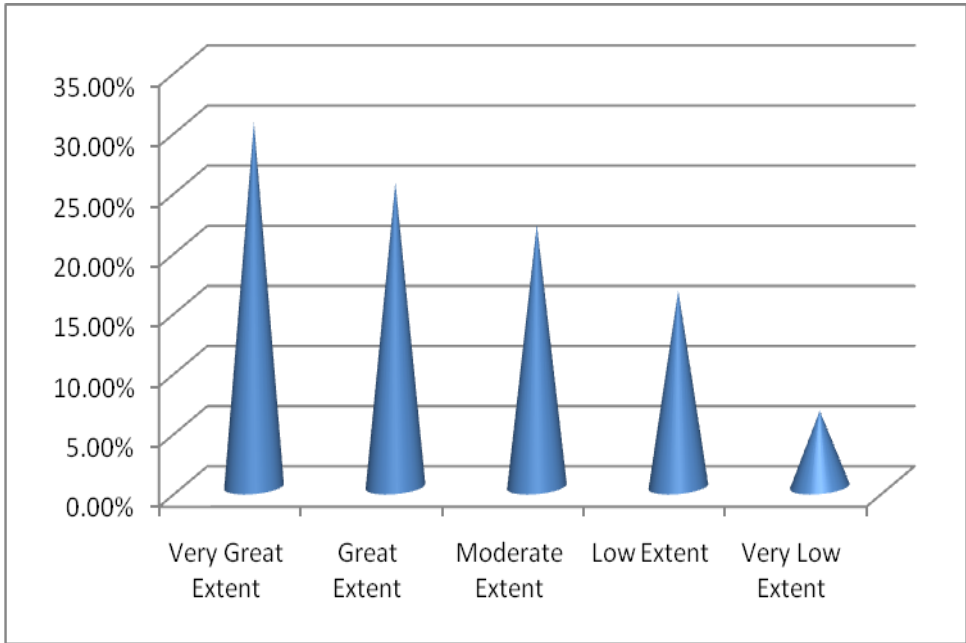


Figure 4.5: Extent Market Survey Influence on the Sustainability of SMEs

Rivalry Between Men and Women

The study sought to evaluate the extent rivalry between men and women influence the sustainability of women owned SMEs. The results shows that 30.7% of the respondents indicated that rivalry between men and women influence the sustainability of women owned SMEs to a very great extent. 25.2% of the respondents indicated that rivalry between men and women influences the sustainability women owned SMEs to a great extent. 22.4% of the respondents indicated that rivalry between men and women influences the sustainability women owned SMEs to a moderate extent, 15.6 % of the respondents indicated that rivalry between men and women influences the sustainability women owned SMEs to a low extent while 6.1 % of the respondents indicated that rivalry between men and women influences the sustainability women owned SMEs to a very low extent. The findings relate with the findings of will (2009), Howard (2011) who postulates that rivalry between men and women are the foundation of competition as everything in the current market environment relies on the individual's ideas, knowledge and skills. It is asserted that the interpersonal skills in an organization are the most important intangible asset, especially in terms of innovation. According to the findings rivalry between men and women are of great essence towards the sustainability of women owned SMEs.

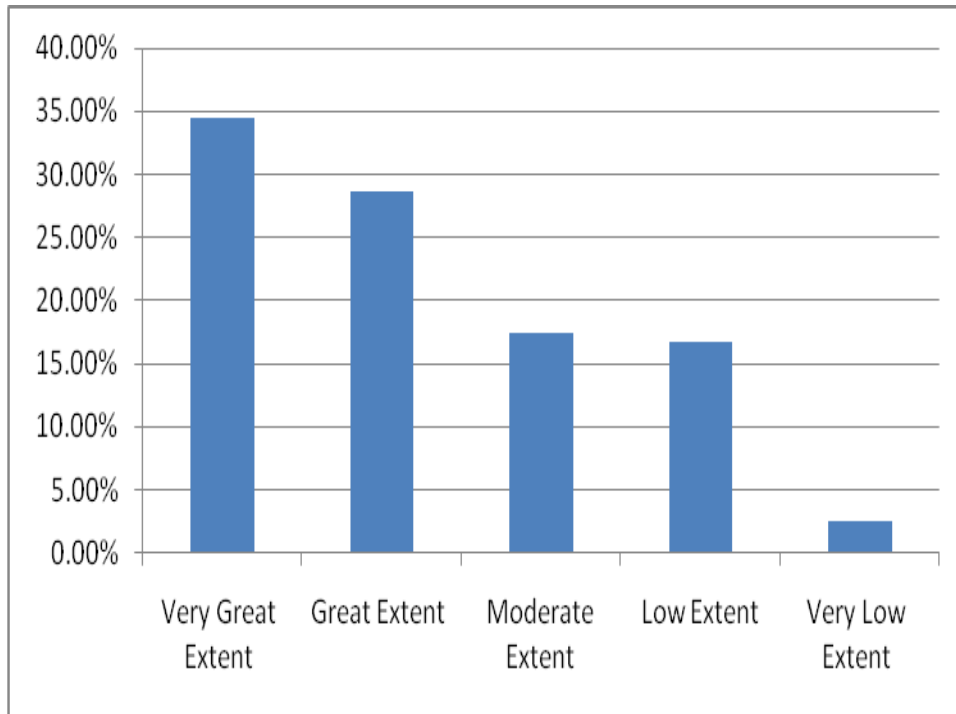


Figure 4.6: Extent Rivalry between Men and Women Influence on the Sustainability of SME's.

Advertisement Techniques

The study sought to establish the extent advertisement techniques influence on the Sustainability of women owned SMEs. 34.5 % of the respondents indicated that advertisement techniques influence to a very great extent the Sustainability of women owned SMEs, 28.7% of the respondents indicated that advertisement techniques influence the Sustainability of women owned SMEs to a great extent ,17.4% of the respondents indicated that advertisement techniques influence the Sustainability of women owned SMEs to a moderate extent, 16.8 % of the respondents indicated that advertisement techniques influence the Sustainability of women owned SMEs to a low extent. While 2.6% of the respondents indicated that advertisement techniques influence the Sustainability of women owned SMEs to a very low extent

The findings collaborate with the findings of Shane (2010) who found that advertisement techniques is about customer attraction with increased probability to succeed when creating and developing a business. Advertisement seeks to provide business owners with the market knowledge, skills and experiences to enhance entrepreneurial success in a variety of settings. The success of entrepreneurial activities in a country is to a great extent related to quality. The findings show that the advertisement technique is an important factor in the sustainability of women owned SMEs.

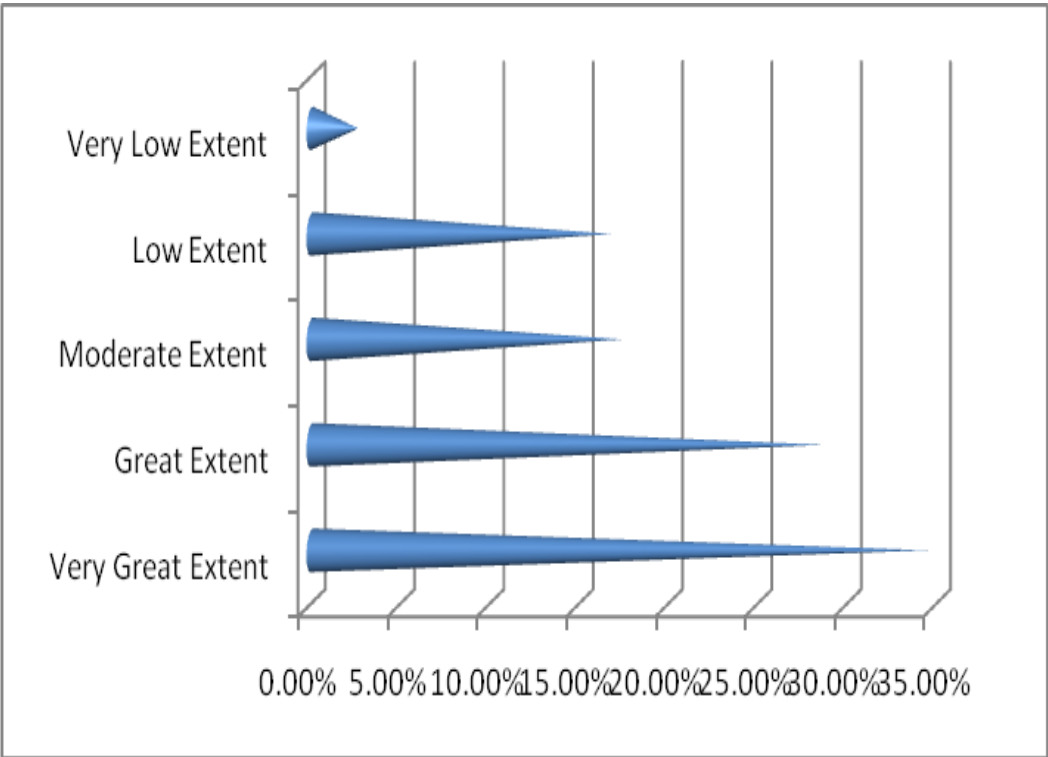


Figure 4.7: Advertisement Technique Influence on the Sustainability of SMEs.

4.5.2 Access to Capital

The study sought to investigate the influence of access of capital on sustainability of women owned SMEs. Specifically, the study focused on collaterals, Government funding and the sources of finance.

Collaterals

The study sought to establish the extent collaterals influence on the Sustainability of women owned SMEs. As shown results indicates that 39.5 % of the respondents indicated that collaterals influence the Sustainability of women owned SMEs to a moderate, 20.7% of the respondents indicated that collaterals influence the Sustainability of women owned SMEs to a very great extent, 16.4% of the respondents indicated that collaterals influence the Sustainability of women owned SMEs to a great extent, 14.8 % of the respondents indicated that collaterals influence the Sustainability of women owned SMEs to a low extent. While 8.6% of the respondents indicated that collaterals influence the Sustainability of women owned SMEs to a very low extent. The findings collaborate with the findings of Winkler (2010) who found that collaterals is very important particularly with most financial institution in determining the type and amount of funding within enterprises.

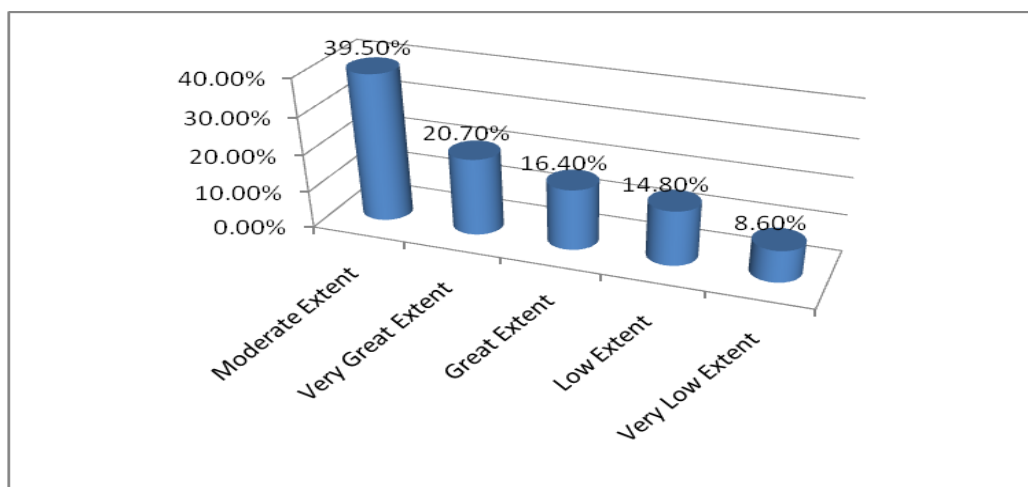


Figure 4.8: Collaterals

Government Funding (Women & Youth Funds)

The study sought to establish the extent to which Government funding influence on the Sustainability of women owned SMEs. The results shows that 45.5 % of the respondents indicated that Government funding influence the Sustainability of women owned SMEs to a very great extent, 25.7% of the respondents indicated that Government funding influence the Sustainability of women owned SMEs to a moderate extent, 12.4% of the respondents indicated that Government funding influence the Sustainability of women owned SMEs to a great extent, 14.8 % of the respondents indicated that Government funding influence the Sustainability of women owned SMEs to a low extent. While 1.6% of the respondents indicated that Government funding influence the Sustainability of women owned SMEs to a very low extent

Shepherd (2010), Government funding is very important for the sustainability of enterprises particularly women who have limitation in the access of capital in increasing their growth. Therefore, the inference shows that government funding is a critical element in the sustainability of women owned SMEs.

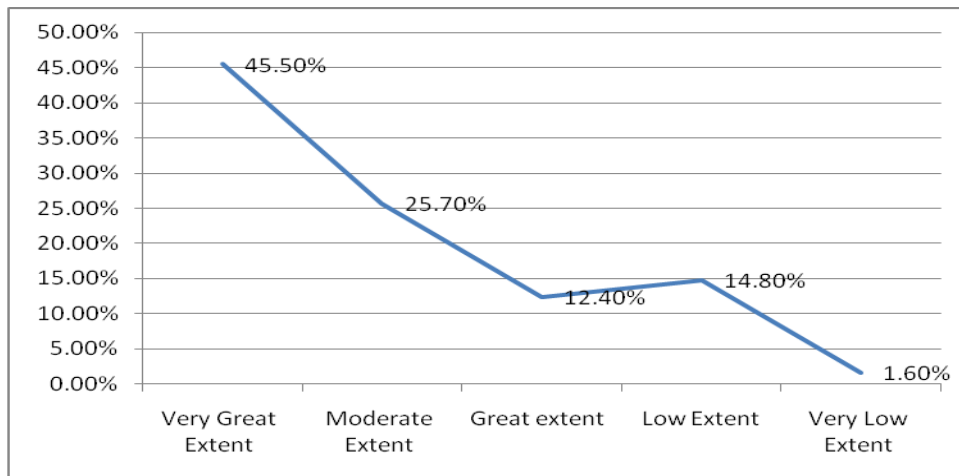


Figure 4.9: Government Funding (Women & Youth Funds)

Sources of Finance

The study sought to establish the extent to which Sources of finance influence on the Sustainability of women owned SMEs. The results indicates that 37.5 % of the respondents indicated that Sources of finance influence the Sustainability of women owned SMEs to a very great extent, 20.7% of the respondents indicated that Sources of finance influence the Sustainability of women owned SMEs to a great, 18.4% of the respondents indicated that Sources of finance influence the Sustainability of women owned SMEs to a moderate extent, 14.8 % of the respondents indicated that Sources of finance influence the Sustainability of women owned SMEs to a low extent. While 8.6% of the respondents indicated that Sources of finance influence the Sustainability of women owned SMEs to a very low extent

The findings of this study concurs with those of Shengoma, (2009) and Joshi, (2011) who found the source of finance is an important element in financial decision-making and internal operation of organization which help entrepreneurs to achieve success in business operations .It can be inferred that the sustainability of SMEs particularly women is characterized by entrepreneurs planning on the sources of finance such as the cost ,availability, repayment mode and other conditions attached which helps the SME owners to make economic decision which in turn increases SME competitiveness in terms of working capital. Therefore, the inference shows that sources of finance are critical element in the sustainability of women owned SMEs.

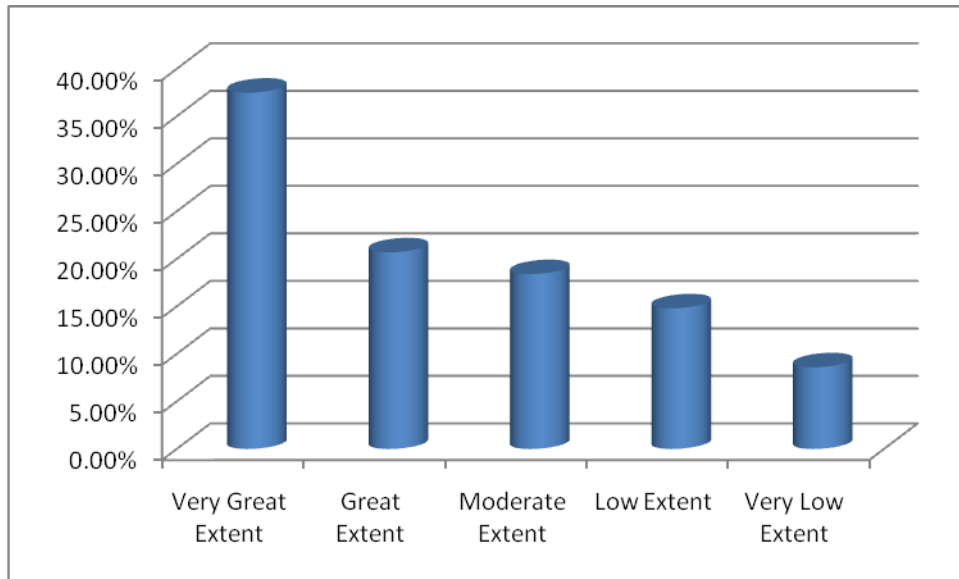


Figure 4.10: Sources of Finance

4.5.3 Access to Skilled Labour

The study sought to investigate the influence of access of skilled labour on sustainability of women owned SMEs. Specifically, the study focused on wage rate levies, Methods of recruitment and Levels of motivation.

Wage Rate levies

The study sought to establish the extent wage rate levies influence on the Sustainability of women owned SMEs. As shown the results indicates that. 30.5 % of the respondents indicated that wage rate levies influence the Sustainability of women owned SMEs to a moderate, 32.7% of the respondents indicated that wage rate levies influence the Sustainability of women owned SMEs to a very great extent, 21.4% of the respondents indicated that wage rate levies influence the Sustainability of women owned SMEs to a great extent, 11.8 % of the respondents indicated that wage rate levies influence the Sustainability of women owned SMEs to a low extent.

While 3.6% of the respondents indicated that collaterals influence the sustainability of women owned SMEs to a very low extent. Therefore, the inference shows that wage rate levies are a critical element in the sustainability of women owned SMEs.

The findings concurs with Morgan (2010) who found that to SMEs sustainability is influenced by the wage rate levies which influences SMEs on the quality of labour, skills and expertise in management and operations.

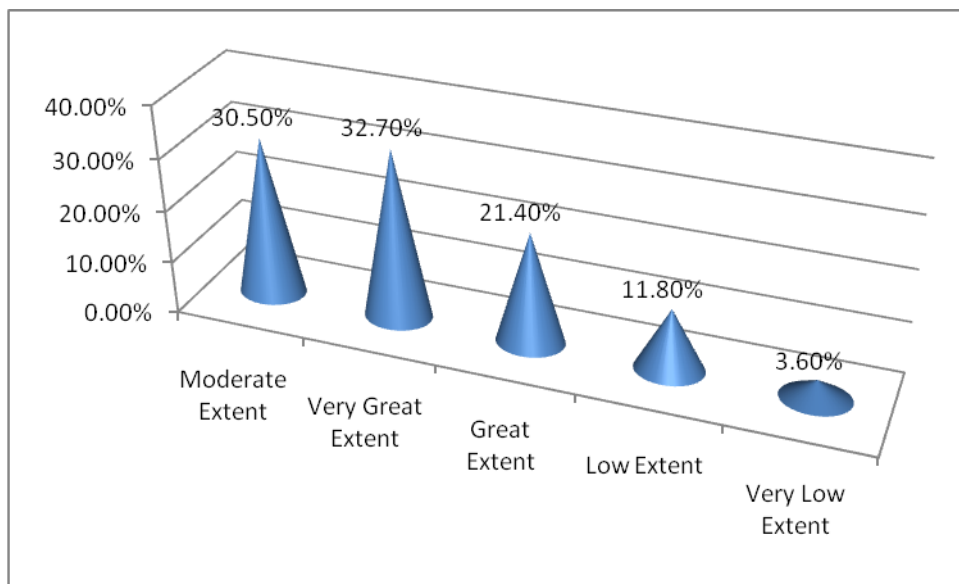


Figure 4.11: Wage Rate Levies

Methods of Recruitment

The study sought to evaluate the extent methods of recruitment influence the sustainability of women owned SMEs. Results indicate that 34.8% of the respondents indicated that Methods of recruitment influence the sustainability of women owned SMEs to a very great extent. 28.4% of the respondents indicated that Methods of recruitment influences the sustainability women owned SMEs to a great extent. 17.3% of the respondents indicated that Methods of recruitment influences the sustainability women owned SMEs to a moderate extent, 11.6 % of the respondents indicated that Methods of recruitment influences the sustainability women owned SMEs to a low extent while 7.9 % of the respondents indicated that Methods of recruitment influences the sustainability women owned SMEs to a very low extent. Therefore, the inference shows that methods of recruitment are a critical element in the sustainability of women owned SMEs.

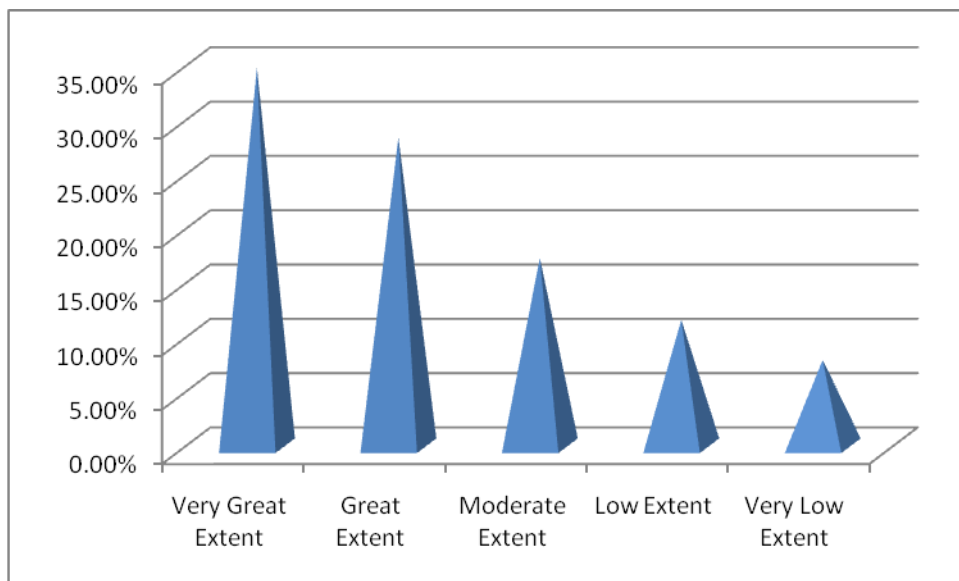


Figure 4.12: Methods of Recruitment

Levels of Motivation

The study sought to establish the extent levels of motivation influence on the Sustainability of women owned SMEs. 40.5 % of the respondents indicated that Levels of motivation influence the Sustainability of women owned SMEs to a moderate extent, 32.9% of the respondents indicated that levels of motivation influence the Sustainability of women owned SMEs to a very great extent ,15.5% of the respondents indicated that Levels of motivation influence the Sustainability of women owned SMEs to a great extent, 10.8 % of the respondents indicated that Levels of motivation influence the Sustainability of women owned SMEs to a low extent. While 0.3% of the respondents indicated that Levels of motivation influence the Sustainability of women owned SMEs to a very low extent.

The study contradicts with the findings of Amabile (2010), Hennessey and Amabile (2009) who have disclosed evidence to the contrary indicating that material rewards are detrimental to innovation. The findings concur to those of Baer (2011) who showed that entrepreneurs' support on employees' innovation through material rewards such as bonuses and pay increases encourage innovation hence sustainability of SMEs. It can therefore be concluded that entrepreneurs' support on employees level of motivation through material rewards influence sustainability of women owned SMEs. This further shows entrepreneurs who provide enabling environment for employees within the enterprise increases sustainability capacity of the enterprise.

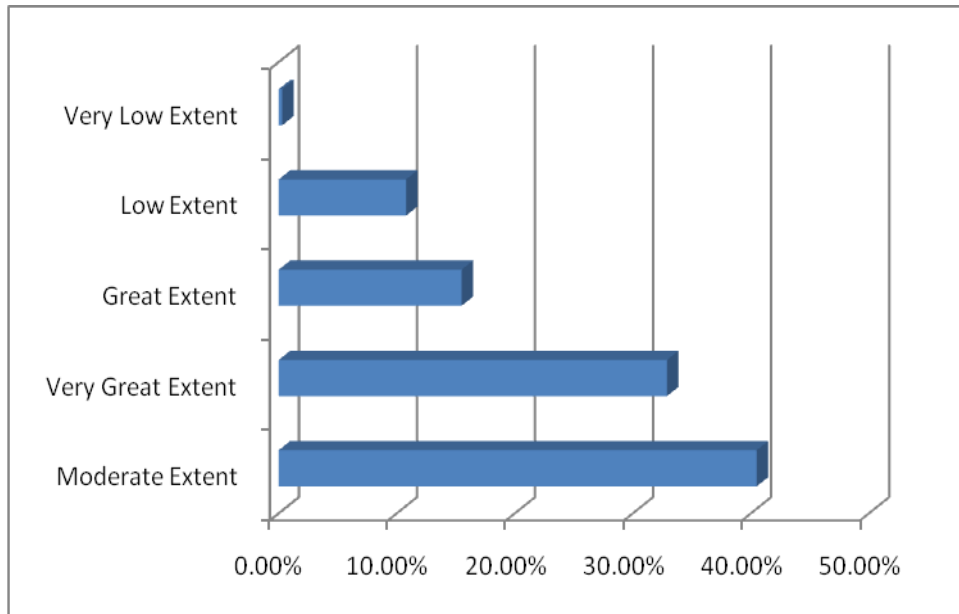


Figure 4.13: Levels of Motivation

4.5.4 Domestic Attachment

The study sought to investigate the influence of domestic attachment on sustainability of women owned SMEs. Specifically, the study focused on Support and assistance from relatives and spouses, form of enterprise ownership and time devoted in enterprise management.

i) Support and Assistance from Relatives and Spouses

The study sought to evaluate the extent Support and assistance from relatives and spouses influence the sustainability of women owned SMEs. Results indicate that 39.7% of the respondents indicated that Support and assistance from relatives and spouses influence the sustainability of women owned SMEs to a very great extent. 27.4% of the respondents indicated that Support and assistance from relatives and spouses influences the sustainability women owned SMEs to a great extent. 20.4% of the respondents indicated that Support and assistance from relatives and spouses influences the

sustainability women owned SMEs to a moderate extent, 10.6 % of the respondents indicated that Support and assistance from relatives and spouses influences the sustainability women owned SMEs to a low extent while 1.9 % of the respondents indicated that Support and assistance from relatives and spouses influences the sustainability women owned SMEs to a very low extent.

The finding concurs to that Belu (2010), Women entrepreneurs are both mothers and business women. Kenyan women tend to perceive their business as a family affair. Even when women exercise control over the business day-to-day operations, the husband and other family members tend to be part of the company ownership structure. Hence the Support and assistance from relatives and spouses influences the sustainability of women owned SMEs.

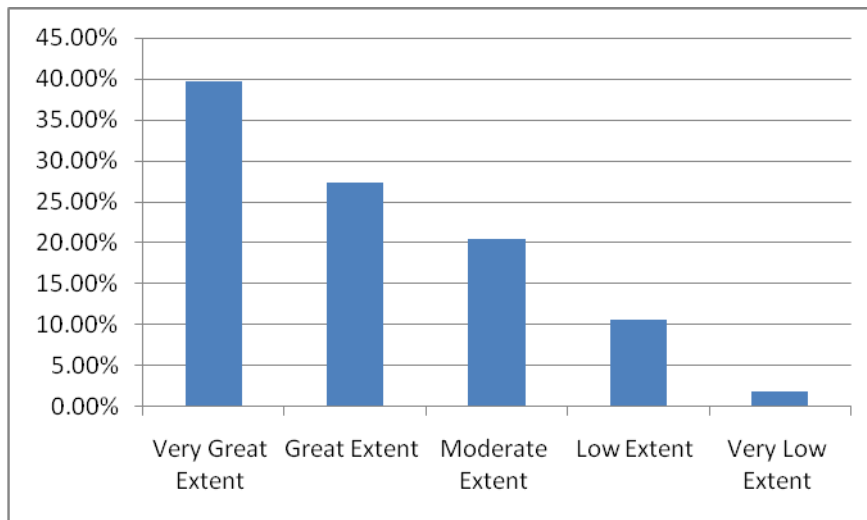


Figure 4.14: Support and Assistance from Relatives and Spouses

ii) Form of Enterprise Ownership

The study sought to establish the extent form of enterprise ownership influence on the Sustainability of women owned SMEs. Results indicates that 36.5 % of the respondents indicated that Form of enterprise ownership influence the Sustainability of women owned SMEs to a moderate, 25.6% of the respondents indicated that Form of enterprise ownership influence the Sustainability of women owned SMEs to a very great extent, 16.9% of the respondents indicated that Form of enterprise ownership influence the Sustainability of women owned SMEs to a great extent, 17.8 % of the respondents indicated that Form of enterprise ownership influence the Sustainability of women owned SMEs to a low extent. While 3.3% of the respondents indicated that Form of enterprise ownership influence the Sustainability of women owned SMEs to a very low extent.

The findings contradict that of (Athane, 2011). In a study of 685 new businesses by the U.S. Small Business Administration found that women entrepreneurs had a slightly larger household size and were more likely to prefer low risk/return businesses; men spent more time on their new ventures than women did. Women usually reinvest a much higher part of their earnings in their families and communities than men, spreading wealth and creating a positive impact on future development,” Otaviano Canuto, Vice President of the World Bank’s Poverty Reduction and Economic Management Network (2014). Hence the form of enterprise ownership influences the sustainability of women owned SMEs.

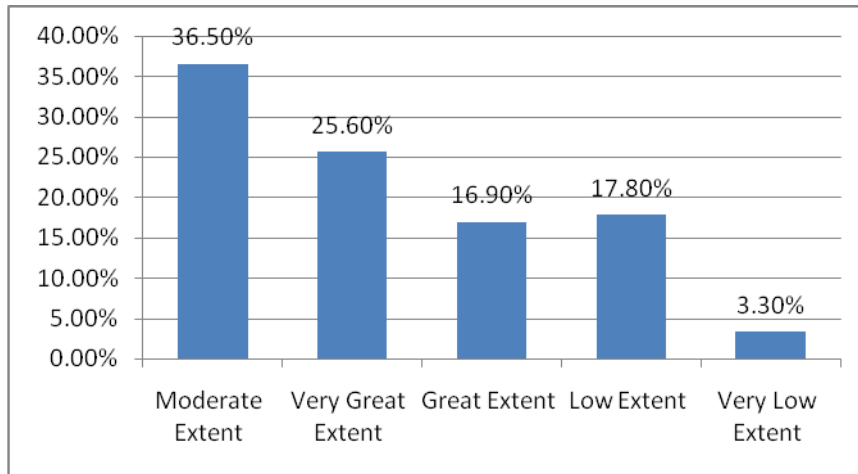


Figure 4.15: Form of Enterprise Ownership

iii) Time Devoted in Enterprise Management

The study sought to establish the extent to which time devoted in enterprise management influence on the Sustainability of women owned SMEs. The results indicate that. 38.4 % of the respondents indicated that time devoted in enterprise management influence the Sustainability of women owned SMEs to a very great extent, 25.4% of the respondents indicated that time devoted in enterprise management influence the Sustainability of women owned SMEs to a great extent, 19.3% of the respondents indicated that Time devoted in enterprise management influence the Sustainability of women owned SMEs to a moderate extent, 14.8 % of the respondents indicated that Time devoted in enterprise management influence the Sustainability of women owned SMEs to a low extent. While 2.1% of the respondents indicated that Time devoted in enterprise management influence the Sustainability of women owned SMEs to a very low extent.

The findings resembles that of New research by Babson College professor Candida Brush (2009) in the International Journal of Gender and Entrepreneurship finds that motherhood and the “macro/meso environment” (social, political and cultural expectations and norms) affect women in particular, giving them different values and priorities when they start their own businesses.

Although self-employment may afford women the flexibility to balance their personal and professional lives in a way that a corporate setting may not, its structure may also explain why women-owned businesses don't grow as large as those owned by men. New research by Babson College professor Candida Brush (2009) in the *International Journal of Gender and Entrepreneurship* finds that motherhood and the "macro/meso environment" (social, political and cultural expectations and norms) affect women in particular, giving them different values and priorities when they start their own businesses.

Although self-employment may afford women the flexibility to balance their personal and professional lives in a way that a corporate setting may not, its structure may also explain why women-owned businesses don't grow as large as those owned by men. Therefore, the inference shows that time devoted in enterprise management are a critical element in the sustainability of women owned SMEs.

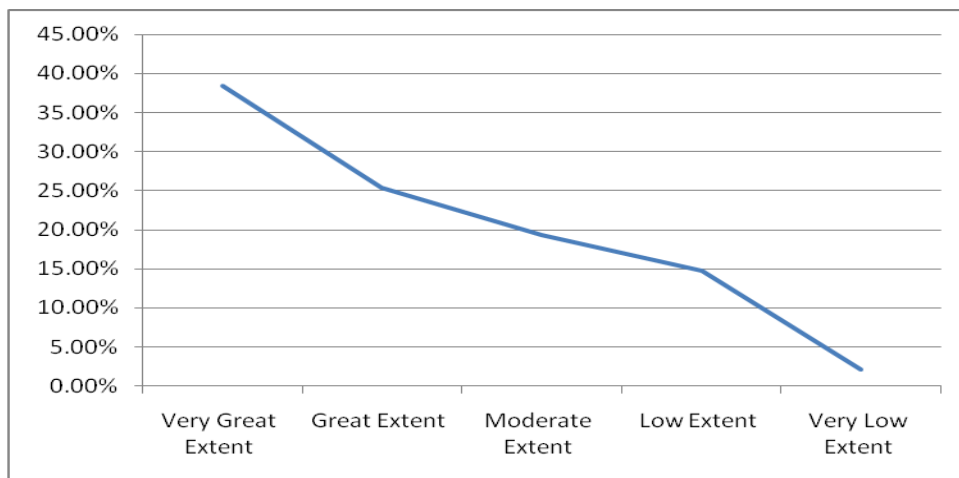


Figure 4.16: Time Devoted in Enterprise Management

4.5.5 Information Technology

The study sought to investigate the influence of information technology on sustainability of women owned SMEs. Specifically, the study focused on Production techniques, market information gathering and level of automation.

i) Production Techniques

The study sought to evaluate the extent production techniques influence the sustainability of women owned SMEs. The results indicates that 36.3% of the respondents indicated that production techniques influence the sustainability of women owned SMEs to a very great extent. 28.4% of the respondents indicated that production techniques influences the sustainability women owned SMEs to a great extent. 18.3% of the respondents indicated that production techniques influences the sustainability women owned SMEs to a moderate extent, 13.5 % of the respondents indicated that production techniques influences the sustainability women owned SMEs to a low extent while 3.5 % of the respondents indicated that Production techniques influences the sustainability women owned SMEs to a very low extent.

The findings support that of (Farr-Wharton & Brunetto, 2010). In most cases female entrepreneurs come from close-knit families and are comfortable sharing information and seeking advice from people in their close circle (Robinson & Stubberud, 2010). It is always true that females join or develop networks to access resources, grab opportunities or to seek advice on production techniques. The conclusion is that Production techniques influences the sustainability women owned SMEs.

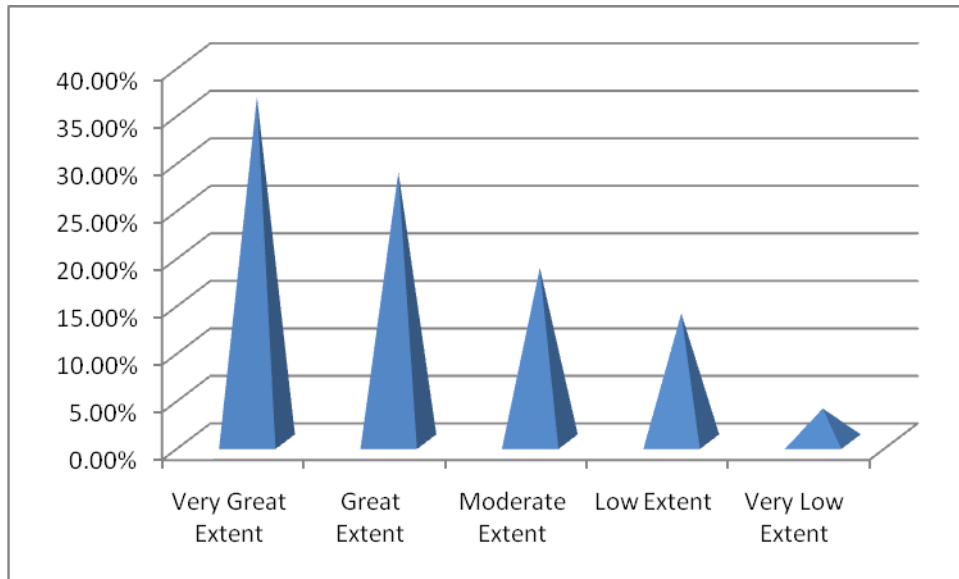


Figure 4.17: Production Techniques

ii) Market Information Gathering

The study sought to evaluate the extent market information gathering influence the sustainability of women owned SMEs. Figure 4.18 indicates that 36.6% of the respondents indicated that market information gathering influence the sustainability of women owned SMEs to a very great extent. 26.9% of the respondents indicated that market information gathering influences the sustainability women owned SMEs to a great extent. 20.3% of the respondents indicated that market information gathering influences the sustainability women owned SMEs to a moderate extent, 13.6 % of the respondents indicated that market information gathering influences the sustainability women owned SMEs to a low extent while 2.6 % of the respondents indicated that market information gathering influences the sustainability women owned SMEs to a very low extent.

The findings agrees to that of Cantzler and Leijon,(2011) which stated that access to marketing information is expected to increase women owned MSEs’ market knowledge about the behavior of their customers, price, and the best sources of inputs. In the study

by (Amyx, 2013) participation of women entrepreneurs in networking activities may enable them to obtain more technical and marketing information about the behavior of their customers, in terms of honoring their debts; new customers; and business partners. Hence the market information gathering influences the sustainability of women owned SMEs.

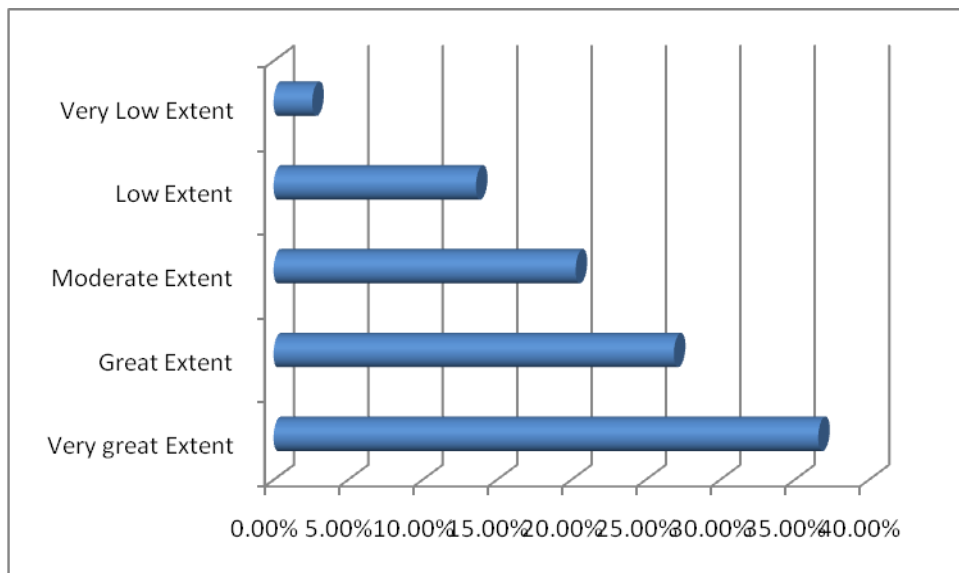


Figure 4.18: Market Information Gathering

iii) Level of Automation

The study sought to establish the extent level of automation influence on the Sustainability of women owned SMEs. As shown in Figure 4.19. 28.7 % of the respondents indicated that level of automation influence the Sustainability of women owned SMEs to a moderate, 39.7% of the respondents indicated that level of automation influence the Sustainability of women owned SMEs to a very great extent, 18.4% of the respondents indicated that level of automation influence the Sustainability of women owned SMEs to a great extent, 9.8 % of the respondents indicated that level of automation influence the Sustainability of women owned SMEs to a low extent. While

3.4% of the respondents indicated that level of automation influence the Sustainability of women owned SMEs to a very low extent.

The findings concurs to that of Muteti (2010) which stated that due to inability to interpret the statistical data and poor connectivity especially in rural areas there is vast amount of information and only lack of statistical knowledge to interpret and Internet connectivity, small enterprises entrepreneurs need to be supported. With connectivity being enhanced (by connecting Kenya globally through Fiber Optic Cable project) there is renewed hope for the SMEs to take advantage especially women owned. Therefore, the inference shows that level of automation is critical element in the sustainability of women owned SMEs.

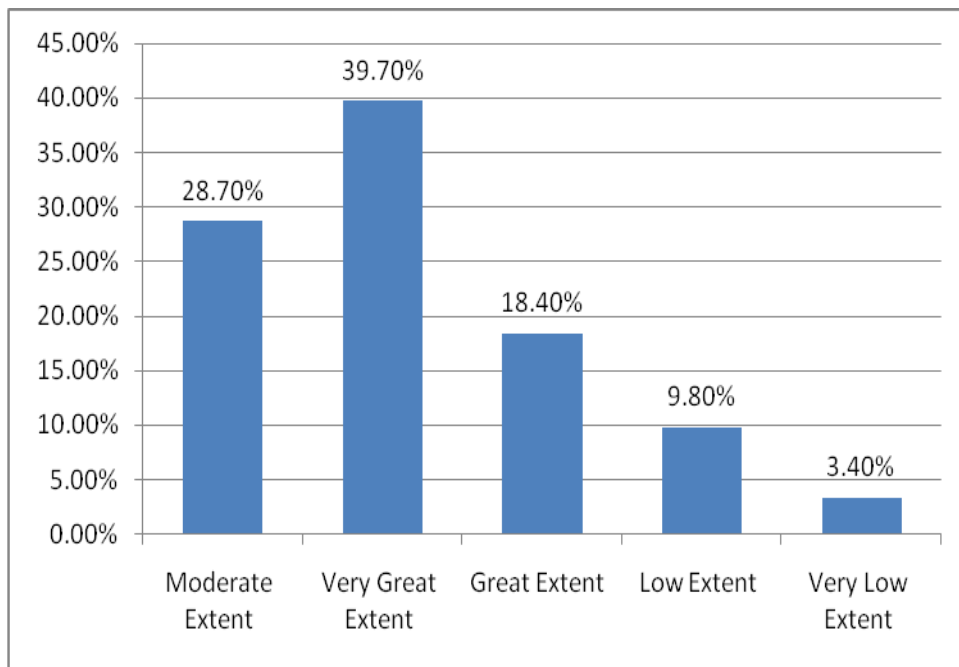


Figure 4.19: Level of Automation

4.6 Regression Analysis

4.6.1 Linear Regression Model of Sustainability of Women Owned SMEs / Competition Strategy

The linear regression analysis models determine the relationship between the dependent variable which is sustainability and independent variable which is competition. The coefficient of determination (R^2) and correlation coefficient (R) shows the degree of association between competition and sustainability of women owned SMEs in Kenya. The results of the linear regression indicate that $R^2=0.796$ and $R= 0.892$ this is an indication that there is a strong linear relationship between competition and sustainability of women owned SMES in Kenya.

This implies that an improved competition strategies such as advertisement strategies and market survey leads to an increase in sustainability of women owned SMEs. Smallbone (2010) and Hisrich (2011), found that competition strategies as measured by market survey and market knowledge of the industry results in positive impact on the sustainability of SMEs. Cohen (2009) found that advertisement strategies is an important element of intellectual capital in SMEs sustainability as found by Surviving on a small scale, SMEs tend to be creative, aggressive in exploiting the opportunity and produce more products compared to their competitors. Size gives SMEs an advantage to create a friendly atmosphere, be creative and have a close network to nurture cooperation of the employees. It can be inferred that sustainability of women owned SMEs is associated by the market strategy and advertisement strategies of the entrepreneurs. Knowledge of the entrepreneurs regarding markets and products is a key factor for the sustainability of women owned SMEs.

Objective 1: To establish the effect of competition on sustainability of women owned SMEs in Kenya.

Table 4.4: Descriptive Statistics

Average Rating of C Effects on ES	Very Great extent	Great extent	Moderate extent	Low extent	Very Low Extent
%	31.8	26.4	20.5	16.2	5

Table 4.5: Correlation of C versus ES

		Enterprise Sustainability	Competition
Enterprise Sustainability	Pearson Correlation	1	.633**
	Sig. (2-tailed)		.000
	N	90	90
Competition	Pearson Correlation	.633**	1
	Sig. (2-tailed)	.000	
	N	90	90

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

Regression analysis

Indicate a relationship $R=0.796$ and $R^2 = 0.633$ Explains that a unit change in C leads to .633 change in ES.

Linear Relationship

Coefficient R=0.796 Suggests a strong, positive and linear relationship exists between the predictor (C) and the dependent variable (ES) Coefficient of determinant $R^2 = 0.633$. Indicates that 63.3% variation in ES can be explained by the model $Y = \beta_0 + \beta_1 x_1 + \epsilon$

Significance of the model C:ES

Observed $p = 0.000 < \alpha = 0.045$ shows that the F-Statistic is less than 0.05 thus statistically significant.

Table 4.6: Coefficients for the Regression of C: ES

	Sum of squares	Df	Mean square	F	Sig.
Regression	6.131	1	6.131	1,913	.045
Residual	285.199	89	3.204		
Total	291.330	90			

Based on the results the H_0 1: is therefore rejected and the alternative hypothesis that, C has a positive influence on ES is accepted.

The results indicate that there was positive gradient which reveals that enhancement in competitive strategies lead to sustainability of women owned SMEs. Bontis, (2011) indicated that competitive strategies include aspects such as market survey, advertisement strategies, rivalry between men and women. Inferences can be drawn from the findings and literature that entrepreneur should be competitive regarding the sustainability of SMEs.

Objective 2: To examine the effect of capital accessibility on sustainability of women owned SMEs in Kenya.

Table 4.7: Descriptive Statistics

Rating of CA Traits on ES	Very Great extent	Great extent	Moderate extent	Low extent	Very Extent	Low
%	40.8	18.7	20.1	14	6.2	

Table 4.8: Regression Model

Model	R	R Square	Adjusted R Square
1	0.753	0.568	.740

Result suggest that a unit change in ES leads to 0.568 change in CA. The unstandardized *beta* coefficient for the constant $\beta=0.04$ is statistically significant at 5% significant level. The 20.25% can be explained by $Y=6.094+0.2025CA+ \epsilon$

Table 4.9: Coefficients for the Regression CA:ES

CA:ES Model		Unstandardised coefficients		Standardised coefficient	T	Sig
		B	Std. Error	Beta		
	Constant	6.094	2.045		2.980	.004
	Capital Availability	.2025	.095	.534	5.127	.000

Based on the results the Ho1: is therefore rejected and the alternative hypothesis that, CA has a positive influence on ES is accepted.

The value of R and R² are 0.753 and 0.568 respectively. The R value of 0.753 represents the strong positive linear relationship between access to capital and sustainability since it is close to 1. The R² indicates that explanatory power of the independent variables is 0.568. This means that about 56.8% of the variation in sustainability is explained by the model $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + E$. The R² value as revealed by the result which means that about 56.8% of the variation in the dependent variable is unexplained by the model, denoting a strong relationship between the access to capital and sustainability of women owned SMEs. These findings concur with Hisrich and Drnovsek (2010) who found that sources of capital such government funding and absence of collaterals as a major factor contributing on the sustainability of women owned SMEs. It can be inferred that women entrepreneurs should have access to cheap capital and those sources where the cost is low to enhance sustainability of SMEs in Kenya.

Objective 3: To determine effect of skilled Labour accessibility on sustainability of women owned SMEs in Kenya.

Table 4.10: Descriptive Statistics

Rating of LA on ES	Very Great extent	Great extent	Moderate extent	Low extent	Very Low Extent
%	35.2	31.3	18	11.4	3.9

Table 4.11: Correlation of LA Versus ES

		Enterprise sustainability	Labour Accessibility
Enterprise Sustainability	Pearson Correlation	1	.275**
	Sig. (2-tailed)		.000
	N	90	90
Labour Accessibility	Pearson Correlation	.275**	1
	Sig. (2-tailed)	.000	
	N	90	90

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

Regression analysis

Indicate a relationship $R=0.524$ and $R^2 = 0.2756$ a unit change in ES can be explained **27.56%** change in LA

Linear Relationship

Coefficient R=0.524 Suggests a strong, positive and linear relationship exists between the predictor (LA) and the dependent variable (ES) Coefficient of determinant $R^2 = 0.2756$. Indicates that 27.56% variation in ES can be explained by the model $Y = 7.21 + 0.275LA + \epsilon$

Significance of the model LA:ES

The ANOVA test shows that the F-Statistic is less than 0.05 thus statistically significant. This findings concur with those of Kings (2010) found that the main focus of skilled human capital is to embrace a sound foundation, with views from organizational capital and process capital. Therefore, skilled labour affordability is positively associated with the sustainability of women owned SMEs. Inferences can therefore be made that skilled human capital interconnect in an organization and thus enhancing enterprise sustainability

Table 4.12: ANOVA

	Sum of squares	Df	Mean square	F	Sig.
Regression	53.071	1	53.071	19.825	.000
Residual	238.25	89	2.677		
Total	291.330	90			

Based on the results the Ho1: is therefore rejected and the alternative hypothesis that, LA has a positive influence on ES is accepted.

Objective 4: To explore the effect of domestic attachment on sustainability of women owned SMEs in Kenya

Table 4.13: Descriptive Statistics

Rating of DA on ES	Very Great extent	Great extent	Moderate extent	Low extent	Very Low Extent
%	38.2	26.1	18.9	14.4	2.4

Table 4.14: Coefficients for the Regression DA: ES

Model	R	R Square
1	.598	.360

Result suggests that a unit change in DA leads to 0.360 variations in ES. The unstandardized *beta* coefficient for the constant $\beta=0.602$ is statistically significant at 5% significant level. The 36.0% can be explained by $Y=4.643+0.360DA+ \epsilon$ Coefficients for the regression of DA:ES

Table 4.15: Linear Relationship

DA:ES Model		Unstandardised coefficients		Standardised coefficient	T	Sig
		B	Std. Error	Beta		
	Constant	4.643	1.518		3.059	.003
	Domestic Attachment	.360	.089	.602	8.002	.000

Coefficient R=0.601 Suggests a strong, positive and linear relationship exists between the predictor (DA) and the dependent variable (ES) Coefficient of determinant $R^2 = 0.360$. Indicates that 36% variation in ES can be explained by the model $Y_i = B_0 + B_4 X_4 + \epsilon$

Significance of the model DA:ES

The ANOVA test shows that the F-Statistic is less than 0.05 thus statistically significant The findings concur with those of Amyx (2013) who found that domestic attachment includes relationships with family members and other relatives and refers to development and maintenance of important relationships such as those with customers and suppliers of goods and services, as well as the degree of partner satisfaction and customer loyalty. Inferences can therefore be made that domestic attachment is very important in sustainability of women owned SMEs.

Table 4.16: ANOVA

	Sum of squares	Df	Mean square	F	Sig
Regression	30.65	1	30.655	2.234	.000
Residual	260.674	19	13.719		
Total	291.330	20			

Based on the results the Ho1: is therefore rejected and the alternative hypothesis that, DA has a positive influence on ES is accepted.

Objective 5: To determine the effect of Information Technology on sustainability of women owned SMEs in Kenya.

Table 4.17: Descriptive Statistics

Rating of IT on ES	Very Great extent	Great extent	Moderate extent	Low extent	Very low Extent
%	37.5	24.6	22.4	12.3	3.2

Result suggests that a unit change of IT leads to 0.556 Variation in ES. The unstandardized β coefficient for the constant $\beta=0.709$ is statistically significant at 5% significant level. The 55.6 % can be explained by $Y=4.643+0.556 IT+ \epsilon$

Table 4.18: Coefficients for the Regression of IT:ES

IT:ES Model		Unstandardised coefficients		Standardised coefficient	T	Sig
		B	Std. Error	Beta		
	Constant	4.643	1.518		3.059	.003
	Information Technology	.556	.089	.709	8.002	.000

Linear Relationship

Coefficient R=0.746 Suggests a strong, positive and linear relationship exists between the predictor (IT) and the dependent variable (ES) Coefficient of determinant $R^2=0.556$. Indicates that 55.6% variation in ES can be explained by the model $Y= \beta_0 + \beta_5x_5 + \epsilon$ The ANOVA test shows that the F-Statistic is less than 0.05 thus statistically significant

Table 4.19: ANOVA

	Sum of squares	Df	Mean square	F	Sig.
Regression	2.067	1	2.067	0.636	.000
Residual	289.263	89	3.250		
Total	291.330	90			

Based on the results the Ho1: is therefore rejected and the alternative hypothesis that, LA has a positive influence on ES is accepted.

The linear regression analysis shows a relationship between the dependent variable which is sustainability and independent variable which is information technology. The coefficient of determination R^2 and correlation coefficient R shows the degree of association between information technology and sustainability of women owned SMEs in Kenya. The results of the linear regression $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + E$ indicate that $R^2 = 0.556$ and $R = .746$ this is an indication that there is a strong linear relationship between information technology and sustainability of women owned SMEs in Kenya.

The findings concur with those of Smith (2010) who found that effects of Information technology includes Production techniques, Market information gathering and Level of automation on sustainability exist at significant levels. Inferences can therefore be made that tendency of a firm to engage in and support new ideas, novelty, experimentation and creative processes results in new products, services or technological processes. In Information technology it requires the firm to have competences relating to technology and relating to customers.

4.7 Overall Regression Analysis

Combined effect model

Coefficient $R = 0.839$. This implies that there is a strong, positive and linear relationship between the predictor variables jointly and the criterion variable (ES). Coefficient of determinant $R^2 = 0.704$. Implying that, 70.4% variation in ES can be explained by the regression model $Y_i = B_0 + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 + B_5 X_5 + \epsilon$

Table 4.20: Combined Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839	.704	.703	.055

ANOVA results for regression coefficients Indicate significance of the F statistic 0.000 which is less than 0.05, thus a significant relationship between **C, CA, LA, DA & IT on ES** of women owned enterprises in Kenya .

Table 4.21: Beta Coefficients of the Independent Variables

		Unstandardised coefficients		Standardised coefficient	T	Sig
		B	Std. Error	Beta		
	(Constant)	.758	1.550		.489	.626
	Competition	.413	.156	.101	6.855	.0023
	Capital Accessibility	.219	.105	.201	2.261	.000
	Labour Affordability	.319	.126	.145	2.367	0.021
	Domestic Attachment	.111	.141	.215	4.618	0.002
	Information Technology	.301	.131	.220	5.230	0.023

A unit change in C leads to 0.413 changes in ES, A unit change in CA leads to .219 changes in ES, A unit change in LA leads to .319 change in ES .A unit change in DA leads to .111 change in ES.A unit change in IT leads to .301 change in ES. Results suggest that the 70.4 % variation in ES can be explained by **the multiple linear regression models: - $Y=.413C+0.219CA+.319LA+.111DA+.301IT$**

Ranking of the predictors: based on the standardized β coefficients indicate that C (.101), IT (.220), DA (.215), LA (.145) and CA(.201) The results suggest that C is the main determinant of Enterprise Sustainability for women owned SMEs while CA influence is least amongst the determinants of Enterprise Sustainability

Fitted model $Y = 0.758 + 0.413X_1 + 0.219X_2 + 0.319X_3 + 0.111X_4 + 0.301X_5 + \epsilon$ The regression model is therefore: Enterprise Sustainability = 0.413(Competition) + 0.260 (Capital Accessibility) + 0.331 (Skilled Labour Affordability) + 0.713 (Domestic Attachment) + 0.301(Information Technology)

The findings show that all the variables tested were statistically significant with p-values less than 0.05. This implied that there existed a strong relationship between the independent variables and Enterprise Sustainability of women owned SMEs in Kenya. The linear regression analysis models the linear relationship between the dependent variable which is sustainability of women owned SMEs and independent variables which are Competition, capital accessibility, Access to skilled labour, Domestic attachment, and Information Technology. The coefficient of determination R^2 and correlation coefficient (r) shows the degree of association between Variables and sustainability of women owned SMES in Kenya. The results of the linear regression indicate that $R^2 = .704$ and $R = .839$ this is an indication that there is a strong relationship between Competition, capital accessibility, Access to skilled labour, Domestic attachment, and Information Technology and the sustainability of women owned SMEs in Kenya. The findings concur with those of Belu, (2010) who postulates that competition strategies, domestic attachment and affordable skilled labour to be key factors for company success and important levers for value creation and core competence as invisible assets rather than visible assets.

4.8 Checks for Multicollinearity and Heteroscedasticity

A situation in which there is a high degree of association between independent variables is said to be a problem of multicollinearity. This problem was solved by ensuring that there was a large enough sample as multicollinearity is not known to exist in large samples. Multicollinearity can also be solved by deleting one of the highly correlated variables. Heteroscedasticity means that previous error terms are influencing other error terms and this violates the statistical assumption that the error terms have a constant variance. This was checked using normal P plots and there was no evidence of heteroscedasticity. The Variance inflation factor (VIF) was checked in all the analysis and it ranged from above 1 to 4 which is not a cause of concern according to Myers (2011) who indicated that a VIF greater than 10 is a cause of concern.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter summarizes the findings of the study done with specific to the objectives and research questions of the study which were used as units of analysis. Data was interpreted and the results of the findings were correlated with both empirical and theoretical literature available. The conclusion relates directly to the specific objectives/research questions. The recommendations were deduced from conclusion and discussion of the findings.

5.2 Summary of the Major Findings

The study sought to establish challenges facing the sustainability of women owned SMEs in Kenya. Specifically, the study investigated effects of Competition, access to capital, access to skilled Labour, domestic attachment and information technology. The empirical literature showed that all the variables are key ingredient of women owned SMEs sustainability thou at different levels both in developed and emerging economies all over the world. Other literature revealed that SMEs have very low survival rate whereby the collapse ratio of SMEs is alarming for developing countries as well as developed countries. A pilot study was undertaken with 25 SMEs owners/ women entrepreneurs to test the reliability and validity of the questionnaire. The stratification was based on the type of business that the 25 SMEs owners were operating. This comprised of Agri-business, Hotels and restaurant, rentals, cosmetics and beauty shops, cereals, motor vehicle spare parts, transport and merchandise

Specific Objective 1: To establish the effect of competition on sustainability of women owned SMEs in Kenya.

That the Competition is a determinant of Enterprise Sustainability for Women owned SMEs; since it explains for **63%** changes of the total Enterprise sustainability of women owned SMEs in Kenya. The finding of the study revealed that competition positively influence the sustainability of women owned small and medium sized enterprises in Kenya (SMEs) in Kenya. Results of the inferential statistics such as ANOVA show that competition has a major positive significance contribution to the sustainability of women owned SMEs in Kenya.

That the women entrepreneur's Market survey ,Rivalry between men &women, Advertisement techniques are the main constructs of competition that explain for the changes observed in the Enterprise sustainability of women owned SMEs in Kenya.

Specific Objective 2: To examine the effect of capital accessibility on sustainability of women owned SMEs in Kenya.

That the access to Capital is a determinant of Enterprise Sustainability for Women owned SMEs; since it explains for **20.25%** changes of the total Enterprise sustainability of women owned SMEs in Kenya. That the women entrepreneur's Collaterals Government funding(women & youth funds) Sources of finance are the main constructs of Capital Accessibility that explain for the changes observed in the Enterprise sustainability of women owned SMEs in Kenya.

Specific Objective 3: To determine effect of skilled Labour accessibility on sustainability of women owned SMEs in Kenya.

That the skilled Labour accessibility is a determinant of Enterprise Sustainability for Women owned SMEs; since it explains for **27.56%** changes of the total Enterprise sustainability of women owned SMEs in Kenya. That the women entrepreneur's Wage

rate levies, Methods of recruitment, Levels of motivation are the main constructs of skilled Labour accessibility that explain for the changes observed in the Enterprise sustainability of women owned SMEs in Kenya.

Specific Objective 4: To explore the effect of domestic attachment on sustainability of women owned SMEs in Kenya

That the Domestic attachment is a determinant of Enterprise Sustainability for Women owned SMEs; since it explains for **36%** changes of the total Enterprise sustainability of women owned SMEs in Kenya. That the women entrepreneur's Support and assistance from relatives and spouses, Form of enterprise ownership ,Time devoted in enterprise management are the main constructs of Domestic Attachment that explain for the changes observed in the Enterprise sustainability of women owned SMEs in Kenya.

Specific Objective 5: To determine the effect of information technology on sustainability of women owned SMEs in Kenya. .

That the Information Technology is a determinant of Enterprise Sustainability for Women owned SMEs; since it explains for **55.6%** changes of the total Enterprise sustainability of women owned SMEs in Kenya. That the women entrepreneur's Production techniques, Market information gathering, Level of automation are the main constructs of Information Technology that explain for the changes observed in the Enterprise sustainability of women owned SMEs in Kenya.

5.3 The Overall Effect of the Variables

The study findings showed a great influence of all the five variables to the sustainability of women owned SMEs. The study found out that there was 70.4% of corresponding change in the sustainability of women owned SMEs for every change in all the five predictor variables jointly. Test of overall significance of all the five variables jointly, effects of Competition, access to capital, access to skilled Labour, domestic attachment

and information technology using ANOVA, at 0.05 level of significance found the model to be significant

5.4 Conclusion

The objectivity of this study was to establish challenges facing sustainability of women owned small and medium enterprises in Kenya. Based on previous studies, the components of the variables were expected to have positive relation with sustainability of women owned SMEs in Kenya. The output given from the findings indicate that there is a significant positive relationship between the components of the variables namely effects of Competition, access to capital, access to skilled Labour, domestic attachment and information technology on the sustainability of women owned SMEs in Kenya. The findings also indicated that competition have been a major impediment towards the sustainability of women owned SMEs in Kenya. This is in line with Amyx (2013) who found that competition appeared as the major contributor towards the sustainability of women owned SMEs in Kenya. The results also revealed that the access to capital, access to skilled Labour, domestic attachment and information technology have positive relationship with sustainability of women owned SMEs in Kenya.

5.5 Recommendations

Women entrepreneurs should realize that in the present competitive economy, it is important to have competitive strategies to counter men through affordable and quality products and services for the sustainability of their enterprises.

Affordable source of capital and labour on Women owned enterprises are necessary to impact on working capital which is necessary for the running and managing their enterprises which contributes in creating new and more competitive products for increased sustainability of the enterprise.

Understanding of customer and balancing time spend on domestic chores and enterprise is necessary for creating a solid relationship between an enterprise and its customers.

Women owned small and medium sized enterprises should possess technical, interpersonal, and conceptual skills to effectively plan, lead, organize and control the enterprise effectively leading to increased performance and consequently sustainability.

Women entrepreneurs should embrace modern technologies which is an important element for development which is vital for establishing a solid stock of connections, interactions, relationships, linkages, closeness, goodwill, and loyalty between a firm and its customers,.

5.6 Areas for Further Research

This study is a millstone for future research in this area, particularly in Kenya. The findings emphasize the importance of the challenges facing sustainability of women owned SMEs in Kenya, which comprise of effects of Competition, access to capital, access to skilled Labour, domestic attachment and information technology on the sustainability of SMEs in Kenya. These factors are expected to influence and enhance sustainability of women owned SMEs. Available literature indicates that as a future avenue of research there is need to carry out similar research on these factors in other enterprises different from SMEs and in other countries in order to establish whether the link between effects of Competition, access to capital, access to skilled Labour, domestic attachment and information technology and sustainability can be generalized.

REFERENCES

- Abu Bakar, R. (2009). Linkages, access to finance and the performance of small-scale enterprises in Kenya. *J. of Accounting and Business Research*, 3(1), 33-48.
- Adiningsih, S. (2011). *A Decade of post Indonesian Crisis*. Yogyakarta Indonesia: Penerbit Kanisius.
- Amyx , R.P. (2010). *The Savings Trap and Economic Take-Off*. Turkey: Walson
- Amyx, R.P. (2005). Measurement in marketing research: basic principles of Questionnaire
- Anwar, C.M. and lawyer, K. (2010). *How to organize and operate a small business*, New Jersey: Prentice Hall.
- Alduch, J. (2010). Firms resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Anderson, F. (2009). Innovative theories, tools, and practices in work and organizational psychology, pp. 255-270.
- Alvarez, B., (2009). A Study of Determinants of Intellectual Capital Performance in Banks: the UK case, *Journal of Intellectual Capital*, 9(3), 487-498.
- Athane, C. (2011). *Inequality and Economic Growth*. Mumbai: Ken publishers.
- XBelu, C. (2010). *Ranking Corporations Based on Sustainable and Socially Responsible Practices*. Tokyo: Jonsons.
- Benn, S.D. (2010). *Enabling change for corporate sustainability*, New Delhi: Kentons.

- Borga, F.A. (2009). *Sustainability Report in Small Enterprises, Case Studies in Italian Furniture Companies*. Miami: Stars publishers.
- Brunetto, N. (2010). *Access to Finance for Women in Business, Myths or Realities*. Pretoria: Adams.
- Becker, G. S. (2010). Investment in human capital: A theoretical analysis, *Journal of Political Economy*. 70(2), 9-49.
- Bonfour, A. and Edvinsson, L. (Eds.) (2001). *Intellectual capital for communities*. Elsevier, Oxford. Intellectual capital indexes perspective. California: publishers.
- Bontis, N. (2011). *Intellectual capital: an exploratory study that develops measures and model*, *Management Decision*, 36(2), 63-76.
- Best, A., Rodriguez, E. and Sandee, H. (2011). Small and Medium Enterprise Dynamics in Indonesia. *Bulletin of Indonesian Economic Studies*. 37(3), 363-84.
- Baer, K. A., and Long, J. S. (2011). *Testing structural equation models*. Newbury Park, CA: Sage
- Brush, N. (2009). Intellectual capital: An exploratory study that develops measures and models. *Management Decisions*, 36(2), 63–76.
- Benci, C.M. and lawyer, T (1991). *How to organize and operate a small business*, New Jersey: Prentice Hall.
- Cantzler, I. and Leijon, S. (2011). *Team-Oriented Women Entrepreneurs*. New Delhi: Adams.
- Churchill, N. C. (2010). *Research Issues in Entrepreneurship*. Mumbai: Sexton.

- Cooper, K. (2012). *United Economic & Social Affairs*: Jakarta: Central Bureau of Statistics.
- Cohen, S. and Kaimenakis, N. (2009). Intellectual capital and corporate performance in knowledge-intensive SMEs, *The Learning Organization*, 14(3), .241-62.
- Candida, L. X., & Rowley, C. (2008). The development of Chinese small and medium enterprises and human resource management: A review. *Asia Pacific Journal of Human Resources*, 46(3), 353-279.
- Cronbach, L. J. (1951). *Coefficient alpha and the internal structure of tests*. London: Press.
- Dzisi, J. (2008). *Savings, Growth and Capital Markets Imperfections*. Oxford: Oxford University.
- Desai, V. (2010). *Dynamics of Entrepreneurial Development and Management*, (3rd ed.), Mumbai: Himalaya Publishing House.
- Dillman, I. (2011). *Identifying innovation in surveys of services: a Schumpeterian perspective*. *Research Policy*, 33, 551-562.
- Eyben, L.S, and Riding, A.L. (1997). *Business owner's fundamental tradeoff. Finance and the vicious circle of growth and control*. Canada: Canadian Business Owners.
- Edith, H. and Williams, R. (2003). *The coming of post-industrial society: A venture in social forecasting*. NY: Basic Books Incorporation Publishers.
- Fuchi-Wharton, R. and Brunetto, Y. (2009). Female Entrepreneurs as Managers. The Role of Social Capital in Facilitating a Learning Culture, Gender in Management. *An International Journal*, 24(1), 14-31.

- Farr-Wharton, R., & Brunetto, Y. (2007). Women entrepreneurs, opportunity recognition and government-sponsored business networks: A social capital perspective. *Women in Management Review*, 22(3), 187-207.
- Gakure, R.W. (2010). *Issues Impacting on Growth of Women Owned Enterprises in Kenya. Paper presented at Shifting Gears in Women's Enterprises Conference.* Durham University, UK, September 2001.
- Gartner, W. B. (2010). *What Are We Talking About When We Talk About Entrepreneurship?*, Olando: Sermos Publishers.
- Gichira, M. (2010). *The woman Entrepreneur: Starting and Financing and Managing a Successful New Business.* Nairobi: Lexington Books.
- Government of Kenya, (2008). *Kenya Vision 2030-Aglobally Competitive and Prosperous Kenya, First Medium Term Plan.* Nairobi: Government Printers.
- Gordon, P. and Love, J. (2010). The Innovation Value Chain in New Technology Based Firms: Evidence from the UK. *Journal of Product Innovation Management.* Forthcoming. 29(5), 839-860.
- Gall, J. F., Jr., Anderson, R. E., Tatham, R. L. and Black, W. C. (1995) *Multivariate Data Analysis*, (3rd ed.), New York: Macmillan Publishing Company.
- Gosselin, S. B. (2009). *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education.* (3rd ed.). Chicago: University of Chicago Press.
- Gikonyo, J.W., (2012). *Entrepreneurial Strategic Planning Practices and Firm Performance among Kenyan women led small and medium enterprises.* Unpublished PhD thesis, Juja: Jomo Kenyatta University of Agriculture and Technology.

- Hurst, J.F., Black, C.W., and Babin, L. (2009). *Multivariate Data Analysis*, (6th ed.). Pearson: Prentice Hall.
- Halkias, D., Nwajiuba, C., Harkiolakis, N., & Caracatsanis, S. M. (2011). Challenges facing women entrepreneurs in Nigeria. *Management Research Review*, 34(2), 221-235.
- Hampton, A., McGowan, P. and Cooper, S. (2011). *Entrepreneurial Behavior and Research*. Jakarta: Kens.
- Histrich, D. R and Brush, G. C. (2011). *The Women Entrepreneur*. Massachusetts: Lexington Books.
- Hennessey, R. L., Tansky, J. W., and Camp, S. M. (2000). Human resource management practices in small and medium-sized enterprises: Unanswered questions and future research perspectives. *Entrepreneurship, theory and Practice*, 25(1), 11-26.
- Hair, G. (2010). *Measuring Organizational Performance: Beyond The Triple Bottom Line. Business Strategy and the Environment*. Miami: College Publishers.
- Humphrey, L. (2010). *The knowledge advantage”* ,*Strategy & Leadership*, March/April. *Psychometrika*, 16, 297–334.
- Hubbard, G. (2010). *Knowledge management: Challenges, solutions and technologies*. NJ: Pearson Education Incorporation.
- Hart, J. B. (1988) Strategic outsourcing: Leveraging knowledge capabilities. *Sloan Management Review*, 40(4), 9–21.

- Howard, V. H., (2002). 3 S.C.R. 309, 2002 SCC 64 is a leading case decided by the Supreme Court of Canada on the right not to be denied bail without just cause under section 11(e) of the Charter.
- Hirsch, M. (2011). Intellectual Capital and Organizational Organic Structure in Knowledge Society: How are these Concepts Related?. *International journal of Information Management*, 31(1), 88–95.
- Nam, Y. J., Park, Y. K., Lee, J. T., & Ishengoma, F. (2010, December). Cost-aware virtual usb drive: providing cost-effective block I/O management commercial cloud storage for mobile devices. In *Computational Science and Engineering (CSE), 2010 IEEE 13th International Conference on* (pp. 427-432). IEEE.
- Itani, H. and Madeleine, K. (2008). *Internationalization of European SMEs towards Emerging Markets*, Scales Research Reports H200817, EIM Business and Policy Research.
- ILO. (2012). *United Arab Emirates Female Entrepreneurs*. Cairo: ILO.
- Jamali, D. (2009). *Constraints and Opportunities Facing Women Entrepreneurs in Developing Countries*. New Delhi: The Jonsons.
- Jalbert, T and Pagano, M. (2011). *Marco Saving, Growth, and Liquidity Constraints*. Almano: Deers Publishers.
- Kirzner, M., Shaari, J. A. N., and Md. Isa, A. H. (2009). Intellectual Capital and its Major Components. *International Journal of Current Research*, 3(6), 343-347.
- Kiiru, F. (2012). The challenge of institution-building in Asia and its implications for Asia-Europe relations. *Asia Europe Journal*. 1(2).

- Kerlinger, K. and McGrath, S. (2002). *Globalisation, enterprise and knowledge*. Oxford: Symposium.
- Kent, M., Feather, J., and Matthews, G. (1994). Business information provision for small and medium sized enterprises in China: the application of marketing models, *Library Management*, 15(8), 16-23.
- Schleberger, E. (1998). Report regional meeting of the working group: entrepreneurship development and training. Retrieved from: www.fes.de/fulltext/bueros/botswana/00553001.htm#LOCE9E2
- Kasarda, J. D. (2009). *Introduction in State of the Art Entrepreneurship*. Sexton: Boston. Kent.
- Kanter, P. G. (2010). *Women Entrepreneurs and Bank Credit - Problems and Perspectives; Programme on Gender issue in Credit Disseminations*. Nabard: Bird.
- Kenya Women Finance Trust. (2011). *Journal of Enterprising Communities, People and Places in the Global Economy*, 2(3), 254.
- Kombo, D. K., and Tromp, D. L. (2010). *Proposal and Thesis Writing: An Introduction*. Nairobi: Pauline's Publications Africa.
- Kothari, C. R. (2009). *Research Methodology Methods and Techniques 2nd Revised Edition*. Nairobi: New Age International Publishers.
- Lawrence, S., Collins, E., Pavlovich, K. and Arunachalam, M. (2009). *Sustainability Practices of SMEs. The case of NZ. Business Strategy and the Environment*. Olando: Jemps.

- Lozonick, W. and Murillo, M.V. (2012). *Does Entrepreneurship leads to Economic Growth? An Un answered Question*. Wales: Univ. Cardiff.
- Longeneeker, C., Macpherson, M. and Chuta, E. (2009). Small Enterprise Employment Growth in Rural Areas. *American Journal of Agricultural Economics*, 76, 1177-1182.
- Levitt, D. (2010). An Information-Theoretic Definition of Similarity. Proceedings of International Conference on Machine Learning, Madison, Wisconsin.
- Miller, E. (2010). *Why SMEs Invest in Environmental Measures: Sustainability Evidence From Small And Medium-Sized Printing Firms*. Tokyo: John Wiley and Sons.
- Mwangemi, E. (2011). *Why SMEs Invest in Environmental Measures*. Iman: Bros Publishers.
- Muteti, N. and Cooper, V. (2010). *Female Business Owners in Singapore and Elsewhere. Singapore*. Hobby Publishers.
- Mano, M. (2012) *Women Entrepreneurs. How They Fare Across the Globe*. Whitesands: Samers Publishers.
- Muijanack, M., Aremus, P. and Langowitz, N. (2011). *GEM 2004 Report on Women and Entrepreneurship” in Hay, Global Entrepreneurship Monitor Babson College*. London: London Business School.
- Myres, F.S., and Eakins, S. G. (2009). *Financial Markets and Institutions* (6th ed). Kenturkey: Pearson International.

- Morgan, D. P. and Moore, J. L., (2011). How Women Entrepreneurs Lead and why they Manage that Way, Gender in Management. *An International Journal*, 26(3), 220-233.
- Moses, C., Simpson, R., Singh, S. and Okafor. C. (2010). *The Role of Cultural Values in Understanding the Challenges faced by Female Entrepreneurs in Nigeria*. Pretoria: Pritors publishers.
- Mugenda, A. G. (2010). *Social Science Research*. Nairobi: Kijabe Printing press.
- Mugenda, A. G (2012). SMEs and CSR: An Approach to CSR in Their Own Words. *Journal of Business Ethics*, 67(3), 227-240. Springer.
- Njoroge, E. R., and Prescott, E. C., (2012). *Unmeasured Investment and the Puzzling U.S. Boom in the 1990s*, Working Paper 13499, National Bureau of Economic Research. New Delhi-India: McGraw-Hill Publishing, Co. Ltd.
- OECD. (2009). *Accelerating Pro-Poor Growth through Support for Private Sector Development*. London: Cameron publishers.
- Oluoch, J. (2010). *Promoting Pro Poor growth Organization for Economic Cooperation and Development, in Private Sector Development*. Nairobi: Ken printers.
- Oketch, C. (2009). Female Entrepreneurs as Managers – Economic Management Network, Gender in Management. *An International Journal*, 24(1), 14-31.
- Pilot, M. and Hungler, B. (2011). *Entrepreneurship and Microfinance: A Tool for Empowerment of Poor - Case of Akhuwat-Pakistan*, unpublished MSc Thesis, Karachi: Malardalen University.
- Polonsky, M. J., and Weller, D .S. (2009). *Designing and Managing a Research Project- A Business Students Guide* (5th ed.). New Delhi: Tejeshwwar Singh.

- Papulova, D. (2010). *Challenges and Opportunities Facing Women Entrepreneurs in Developing Countries*. Chicago: Chicago University.
- Price, G. (1996). Dow's journey to a knowledge value management culture. *European Management Journal*, 14(4), 365–373.
- Rao, P., A. Singh, P. Intal, Jr., and Sajid, A. (2011). *A Metric for Corporate Environmental Indicators ... For Small and Medium Enterprises in the Philippine*. Philippine: The Hunters Publishers.
- Rao, P. A. (2010). *Competitive strategy*. New York: Free Press.
- Romer, G. D. (2010). *The Competitive Advantage of Nations*. New York: Free Press, MacMillan.
- Richardson, P. Howarth, R. and Finnegan, G. (2010). *The Challenges of Growing Small Businesses. Insights from Women Entrepreneurs in Africa*. Geneva: Seed Publishers.
- Robinson, S., and Stubberud, H. A, (2010). *Sources of Advice in Entrepreneurship. Gender Differences in Business Owners & Social Networks*. Miami: Oaklands Publishers.
- Roomi, M. A. and Harrison, P. (2009). *Behind the Veil: Women-Only Entrepreneurship Training in Pakistan*. Karachi: International Publishers.
- Rwingemi, K. (2012). *Women-Owned Small and Medium Enterprises in England: Analysis of Factors Influencing the Growth Process*. Tokyo: The summers Publishers.

- Rue, K.I., and Byres, Y.F. (1998). Black and white tokens in academia: a difference of chronic versus acute distinctiveness, *Journal of Applied Social Psychology*, 28(11), 954.
- Shane, B. (2010). *Finance as a Driver of Corporate Social Responsibility*. London: Prentice Hall.
- Shengoma, A and Kappel, A. (2009). *Support for Growth Oriented Women Entrepreneurship in Kenya*. Geneva: ILO.
- Singh, G. and Belwal, R. (2009). Entrepreneurship and SMEs in Ethiopia. Evaluating the Role, Prospects and Problems faced by Women in this Emergent Sector: Gender in Management. *An International Journal*, 23(2), 120-136.
- Siwade, A.W., and Weber, K. (2011). *How today's Best-Run Companies Are Achieving Economic, Social and Environment Success*. San Francisco: Wiley Imprint.
- Siwadi, N. and Glen, H. (2009). *Personality, Motives and Entrepreneurial Success*. Javani: Ukay Printers.
- Stevenson, L., and St-Onge, A. (2011). *Support for Growth Oriented Women Entrepreneurship in Kenya*. Geneva: ILO.
- Sacardoti, A., and Lois ,S. (2010). *Creating an Entrepreneurial Environment to Foster the Start-up and Growth of Women-Owned Enterprises: Best Practice from Atlantic Canada*. Paper presented at the World Conference of the International Council of Small Business (ICSB), Belfast, Northern Ireland, and June 16-2010.
- Schultz, A. (2011). *Women Entrepreneurs in SMEs in Canada*. In *Women Entrepreneurs in SMEs in the APEC Region*. Asia: Pacific Economic Cooperation.

- Schumpeter, J.A. (2009). *Capitalism, Socialism and Democracy*, London: Allen and Unwin.
- Soyen, M. and R. Bruce, (2009). *5 Stages of Growth in SMEs, Long Range Planning*, 20(3), 45.
- Schoitens, U. (2010) *Research Methods for business: A skill Building Approach* (5th ed). USA: John Wiley and Sons Publisher.
- Shephard, S., and Cable, D., (2010). *Network ties, reputation and the financing of new ventures*. Management Sc
- Srivastava, V. (201). 1 *Factors Hindering Growth in small business*, Retrieved from <http://www.sbae.uca.edu/research/2004 paper pdf/019.pdf>
- Smallbone, N. and V. Kashya, p. (2010). Importance and Contribution of Intangible Assets: SME Managers' Perceptions. *Journal of Intellectual Capital*, 11(3), 368-390.
- Uddin, S. and Ziauddin, K. (2010). *Factors affecting Entrepreneurial growth Entrepreneurship Development in India*. Mumbai: Mittal Publications Delhi, Ed.
- Savitz, W. and Marcel van, E. (2004). *Drawings (in collaboration with the exhibition with Marcel van Eeden*. Drawings, Museum Franz Gertsch, Burgdorf, Germany 2004), Burgdorf, Germany
- United Nations, (2013). *Seven years and still trading: exploding the high SME mortality myth*, 5th Hawaii International Conference on Business, Honolulu,. University Press (originally published in German in 1911; reprinted by Transaction Publishers, New Brunswick, New Jersey in 1997).

- United Nations Development Programmes, (2012). The sources and consequences of embeddedness for the economic performance of organizations: the network effect, *American Sociological Review*, 61, 674-98.
- United Nations Environmental Programmes, (2014). Types of innovation, sources of information and performance in entrepreneurial SMEs. *European Journal of Innovation Management*, 13, 46-61.
- United Nations Environmental Programmes, (2013). *GEM 2004 Report on Women and Entrepreneurship” in Hay, Global Entrepreneurship Monitor Babson College and London Business School*. London: Babson Printers.
- UNECE. (2010). How Women Entrepreneurs Lead and Why they Manage that Way. Gender in Management. *An International Journal*, 26(3), 220-233.
- Vinze, D., and Medha, N. (2007). *Women Entrepreneurs in India (A Socio-Economic Study of Delhi)*. New Dheli: Mittal Publications Ed.
- Weber, A. (2011). *Strategy for Sustainability*. Massachusetts: Harvard Business Press.
- Werbach, A. (2009). *Strategy for Sustainability: A Business Manifesto*. London: Harvard Business School.
- Will, M. (2009). *Talking About the Future Within an SMEs*. Cairo: Kenros Publishers.
- Whartom, B. (2010). *The Next Sustainability Wave: Building Boardroom Buy-in (p. 353)*. Gabriola Island: New Society Publishers.
- Winkler, A. (2010). *Financial Development, Economic Growth and Corporate Governance*. Frankfurt am Main: J.W. University.

World Bank, (2009). *Kenya Investment Climate Assessment: Regional Program for Enterprise Development (RPED)*. Nairobi: Africa Finance and Private Sector.

World Bank, (2012). *World Economic Forum*. Geneva: W.B.

Yeshiareg, D. (2011). *The World's Women 2000. Trends and Statistics, United Nations, 2000*. London: News Publishers.

APPENDICES

Appendix I: Questionnaire

INSTRUCTIONS

I am a student from Jomo Kenyatta University of Agriculture and Technology pursuing degree of Doctor of Philosophy in Entrepreneurship This questionnaire attempts to carry a survey on the Challenges Facing Sustainability of Women owned Enterprises in Kenya. The information given will be treated with total confidentiality and will be used for research purposes only. Participation in their exercise is voluntary. You are however encouraged to answer all questions. Please complete every item as honestly as possible and make comments where necessary. Tick in the box next to the right response and fill in the blank spaces accordingly.

Answer all questions as indicated by either filling in the blank or ticking the option that applies.

Please Indicate

A) General Information

1. Indicate the name of your business..... (Optional)

2. Name of Client----- (optional)

3. What is your Age Category?

- a) Below 18 []
- b) 18-25 []
- c) 26-35 []
- d) 36-45 []
- e) 46-55 []
- f) 55 and above []

4. Your age when you started this business:

- a) Below 18
- b) 18-25
- c) 26-35
- d) 36-45
- e) 46-55
- f) 55 and above

5. Tick your Educational background

- a) Primary school
- b) Secondary School
- c) Diploma or less
- d) Bachelor Degree
- e) Master Degree
- f) PH.D Degree

6. Marital Status

Married

Single

Divorced

Widower

7. Nature of business

Hotel & restaurant

Rental

Cosmetics/beauty

Cereals

m/v spare parts

Agri-business

Merchandise

Transport

8. How long has the business been in operation?

Less than 2 yrs

2-4 yrs

5-8 yrs

8-10 yrs

More than 10 yrs

9. Business ownership

Owner []

Partnership []

Family []

Manager []

B) CAPITAL AVAILABILITY

To what extent do the following capital factors influence the sustainability of your enterprise? Use a scale of 1-5 where 1= Very great extent; 2 Great extent; 3= Moderate extent; 4= Low Extent and 5= Very Low Extent.

	5	4	3	2	1
Collaterals	[]	[]	[]	[]	[]
Government funding (women & youth funds)	[]	[]	[]	[]	[]
Sources of finance	[]	[]	[]	[]	[]

How often do you introduce new products to your

1. What is your Sources of business finance.....

a) Internal []

b) External []

2. What challenges did you encounter in starting the business.....

.....
.....

3. What motivated you to Joining enterprise?

.....
.....

4. Since joining enterprise how many times have you obtained loans?

- a) Once
- b) Twice
- c) Thrice

5. What has been the average loan obtained from the external borrowing (Tick one)

- a) 50000-100000
- b) 100000-150000
- c) 150000-200000
- d) Above 200000

6. From which bank did you obtain your funding if any?

- a) Family Bank
- b) Faulu Kenya
- c) Cooperative Bank
- d) Commercial Bank

e) Other (please state)

7. Why did you choose the particular bank in the above?

.....
.....

8. How have you used the loans obtained through financial institutions (Tick one)

- a) Expand the business
- b) Change of business
- c) Others (Specify)

7. How have the loans empowered you economically? (Tick one)

- a) Self employment
 - b) Generated income
 - c) Others specify
-

8. How have the loans helped to improve your living conditions? (Tick one)

- a) Have become self employed
- b) Can afford descent meals
- c) Can afford to support my family
- d) Can now afford to live on my own

9. Are you comfortable with loan repayment?

Kindly explain.....
.....

10. Did you experience any challenge while obtaining the loan?

Explain.....
.....

C) INFORMATION TECHNOLOGY

Is the level of education important to business venture success?

Yes [] No []

If No, explain why?

.....

If yes how?

.....

Does a business experience activity relevant to business ownership increase the firm's survival time?

Yes [] No []

To what extent do the following factors influence the sustainability of women owned SMEs? Use a scale of 1-5 where 5= Very great extent; 4 Great extent; 3= Moderate extent; 2= Low extent and 1= Very low extent. Tick as appropriate.

	1	2	3	4	5
Market survey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rivalry between men & women	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advertisement techniques	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. How can you rate your services compared to your competitors?

- a) Very good
- b) Good
- c) Average
- d) Poor
- e) Very poor

2. Do you experience customer complaints frequently in terms of quality of services?

Kindly explain.....

3. What methods do you use to access market for your?

Products/services.....

4. What methods do you use to communicate with your

Customers

5. Are your services/products accessed online?

Kindly explain.....

.....

If no what could be the challenges?

.....

D) COMPETITION

1. Kindly describe distribution of your customers in terms of coverage

.....

2. Do you have any challenges with promoting your commodities /services in the market?

Kindly explain.....

3. How can you rate the level of competition in the market in relation to your products?

- a) Less competitive
- b) Competitive
- c) Very competitive

4. Please highlight in terms of competition the key areas you feel need to be improved

.....

E) DOMESTIC ATTACHMENT

To what extent do the following factors of domestic attachment influence the sustainability of your enterprise? Use a scale of 1-5 where 1= Very great extent; 2 Great extent; 3=Moderate extent; 4= Low Extent and 5= Very Low Extent.

	1	2	3	4	5
Support and assistance from relatives and spouses	[]	[]	[]	[]	[]
Form of enterprise ownership	[]	[]	[]	[]	[]
Time devoted in enterprise management	[]	[]	[]	[]	[]

1. Do you get any assistance from your family members in terms of labor?

Kindly explain the assistance

.....

2. Do you use part of income from the business to support your family?

Kindly explain what could be the reason.....

.....

3. At what time do you report to your place of work?

.....

4. At what time do you retire from your place of work?

.....

5. Have you ever experienced any conflict with your family in relation to the business?

Kindly explain.....

4. Are you comfortable with the time you spend in business and with your family?

Kindly explain

5. How do your family members perceive your business?

- a) Positively
- b) Negatively

6. Do your family members like to be associated with your business?

Kindly explain

F) LABOUR AFFORDABILITY

To what extent do the following factors of labor affordability influence the sustainability of your enterprise? Use a scale of 1-5 where 1= Very great extent; 2 Great extent; 3=

Moderate extent; 4= Low Extent and 5= Very Low Extent.

	1	2	3	4	5
Wage rate levies	[]	[]	[]	[]	[]
Methods of recruitment	[]	[]	[]	[]	[]
Levels of motivation	[]	[]	[]	[]	[]

1. How do you source for your employees?

- a) Internally
- b) Outsource
- c) Advertisement
- d) Others (specify).....

2. How many employees do you have?

3. Are you satisfied by the number of employees?

Kindly explain.....
.....

4. How can you gauge the relationship with your employees?

- a) Excellent
- b) Very good
- c) Good
- d) Fair
- e) Poor

5. Have ever had any labour related tussle with your employees?

Explain.....

6. Kindly explain how frequently you replace your employees?

.....
.....

7. What are the terms of you employees?

- a) Permanent
- b) Pensionable
- c) Temporary
- d) Casual
- e) Others (specify).....

8. Are you comfortable with the salaries you pay to your employees?

Kindly explain.....
.....

If no what is your suggestion.....

9. Explain a part from salaries what other incentives are in place for your employees?

.....

G) SMEs SUSTAINABILITY

To what extent do the following factors indicate sustainability of the SMEs? Use a scale of 1-5 where 5= Very great extent; 4 Great extent; 3= Moderate extent; 2= Low extent and 1= Very low extent

Factors	1	2	3	4	5
Investment diversification	[]	[]	[]	[]	[]
Industry leadership	[]	[]	[]	[]	[]
Future outlook	[]	[]	[]	[]	[]
Profit	[]	[]	[]	[]	[]
Profit growth	[]	[]	[]	[]	[]
Sales growth	[]	[]	[]	[]	[]

1. Briefly explain the new developments and improvements which you have done in your enterprise for the last 6 months

.....

2. Have you done any new investment since you started your enterprise? Kindly explain.....

.....

3. Kindly tick on the box which explains your starting capital for your enterprise.

- a) Ksh 0-10000 []
- b) Ksh 10001-20000 []
- c) Ksh 20001-30000 []
- d) Ksh30001-40000 []
- e) Ksh 40001-50000 []
- f) Above ksh50001 []

4. Kindly tick on the box which explains your current capital in your enterprise.

- a) Ksh 0-10000
- b) Ksh 10001-20000
- c) Ksh 20001-30000
- d) Ksh30001-40000
- e) Ksh 40001-50000
- f) Above ksh50001

THANK YOU VERY MUCH.

Appendix II: Transmittal Letter

Letter to Respondent

Dear sir/ Madam,

I am Peter Gituma Kimathi from Jomo Kenyatta University of Agriculture and Technology carrying out a research on the Challenges Facing Sustainability of Women owned Enterprises in Kenya .The research will be submitted for partial fulfillment for the degree of Doctor of Philosophy in Entrepreneurship of Jomo Kenyatta University of Agriculture and Technology. I request you to answer the following questions as honestly as possible. This information will be kept completely confidential and will not be used for any other purpose apart from academic.

Thank you so much for your time and cooperation