

**INFLUENCE OF ENTREPRENEURIAL ORIENTATION,
GROUP DYNAMICS, REGULATORY FRAMEWORKS,
AND STRATEGIC PARTNERSHIPS ON PERFORMANCE
OF WOMEN OWNED ENTERPRISES IN KENYA**

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**Influence of Entrepreneurial Orientation, Group Dynamics,
Regulatory Frameworks, and Strategic Partnerships on Performance
of Women owned Enterprises in Kenya**

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**A Thesis Submitted in Partial Fulfilment for the Degree of Doctor of
Philosophy in Entrepreneurship in the Jomo Kenyatta University of
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DECLARATION

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

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DEDICATION

To My parents the late Archangel Kironjo Mwaura and Priscilla Muthoni Mwaura
My husband, Joseph Waithaka Kangethe My children Caroline Ngina and Christine
Wangui

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ACRONYMS/ABBREVIATIONS

ANOVA	Analysis of Variance
ASK	Agricultural Society of Kenya
BIMAS	Business Initiative Management Assistance Service
BKK	Badan Kredit Kecamatan
CBS	Central Bureau of Statistics
COK	Constitution of Kenya
C-WES	Constituency Women Enterprise Scheme
DFIs	Development Finance Institutions
EGDs	Entrepreneurial Group Dynamics
EO	Entrepreneurial Orientation
GDP	Gross Domestic Product
GoK	Government of Kenya
ILO	International Labour Organisation
IMF	International Monetary Fund
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KBI	Knowledge Based Innovation
KIE	Kenya Industrial Estates
KMTC	Kenya Medical Training College
K-REP	Kenya Rural Enterprise Programme

KURK	Kredit Usaha Rakyat Kecil (Indonesia)
KWFT	Kenya Women Finance Trust
LRF	Legal Regulatory Framework
MCU	Micro Credit Unit
MDGs	Millennium Development Goals
MFI s	Micro Finance Institutions
MSE s	Micro and Small Enterprises
NACOSTI	National Council for Science, Technology and Innovation
NCCK	National Council of Churches of Kenya
NCGD	National Commission on Gender and Development
OECD	Organization of Economic Cooperation and Development
PPP	Public Private Partnership
ROI	Return on Investment
ROSCAs	Rotating Savings and Credit Associations
SAGA	Semi-Autonomous Government Agency
SAP	Structural Adjustment Programmes
SDGs	Sustainable Development Goals
SP	Strategic Partnership
SPSS	Statistical Package for Social Sciences
TAKA (TK)	Bangladesh Currency

UN SDGs	United Nations Sustainable Development Goals
UNIFEM	United Nations Fund for Women
USD	United States Dollars
VIF	Variance Inflation Factor
WB	World Bank
WEF	Women Enterprise Fund
WO MSEs	Women Owned Micro and Small Enterprises
WOEs	Women Owned Enterprise

DEFINITION OF TERMS

- Constraints -** Any obstacles or hindrances to expansion (Kuratko, 2009).
- Credit -** Item or money borrowed with an aim of repaying at an agreed interest (Kathleen, 2010).
- Entrepreneur -** People who perceive profitable opportunities, get motivated by market incentives to undertake an enterprise, are willing to take a risk of profit or loss in pursuing the enterprise, have the ability to organise the business, and are free to accumulate capital both as reward for success and to compensate them for any existing losses (Namusonge, 1998).
- Entrepreneurial Group Dynamics (EGDs) -** It is concerned with the interactions of forces among group members in a social and business situation to enhance social efficiency and growth, (Lewin, 2005).
- Entrepreneurial Orientation (EO) -** The propensity of enterprises to be innovative, proactive and be willing to take risks in taking up and maximizing on opportunities, (Lumpkin & Dess, 1996).
- Impact -** Ultimate change (either expected or unexpected) on all parties as a result of various interventions (Buzzard, 1992).
- Impact of Credit on an Enterprise -** Effectiveness of credit in meeting the set objectives by providing such desired changes as expansion and growth of the enterprise: increase in sales, profits, employees and in assets, (Buzzard, 1992).
- Indicators -** Key pieces of information which when studied over time, show a change in peoples' lives (Buzzard, 1992).

Jua Kali Enterprises - Refers to Small and Micro Enterprise. The enterprises are normally started by a technical owner/manager, in informal settings. For this reason, most of the enterprises are engaged in technical-based occupations, such as carpentry, tailoring, fabrication and welding, (Namusonge, 1998)

Legal Regulatory Framework (LRF) –refers to external factors or forces in a business environment that have an influence on the day to day operations of the business.

Such factors may support or limit the extent to which a business may achieve its objectives. In most cases such forces are largely not controllable but require compliance by the firms. In this study the LRF refers to aspects like taxes, government policies, trade licences, interest rates, etc that influence business operations.

Micro and Small Enterprises - Informal sectors or small scale business are synonymously used in the study. In the development plans 1989-1993, 1997-2001 and the Sessional Paper No. 2 of 1992, the micro-enterprises are defined as businesses employing 1-4 persons, have low capital investment, use simple technology and local materials and utilises low skills. (GOK, 1992). The study covered the Micro and Small Women Owned Enterprises.

Performance - Investorwords (2011) defines Performance as the results of activities of an organization or investment over a given period. The study will focus on both financial (profits, revenues, returns on investment (ROI), returns on sales and returns on equity, sales growth, and profitability growth) and non-financial (additional employees, customer satisfaction, employee satisfaction) indicators (Fatoki, 2011, Fening & Amaria, 2008).

Strategic Partnerships (SP) - A cooperative arrangement between two or more parties that forms part of those parties, in consistent with the overall strategies and contribute to the achievement of their major goals and objectives. The cooperative process is based on the open sharing of information, sharing of common goals and objectives and working within an environment of trust and teamwork, (McLennan & Troutbeck, 2002).

Tuinuke Loan - Constituency Women Enterprise Scheme (CWES) Loan channel by WEF, Tuinuke is a Kiswahili word Meaning uplifting the lives of the women. It is interest free, with only a one-off 5% administrative fee and is payable within (1) one year (WEF Report, 2013)

Jiimarishe loan – This is a WEF Loan channel which is given to individual women, self-help groups or companies owned by women through FIPs, and with an interest rate of 8% per annum on a reducing balance (3 years repayment period) . *Jiimarishe* is a Kiswahili word meaning expand. (WEF Report, 2013)

ABSTRACT

Micro and Small Scale Enterprises play a major role in strengthening the Kenyan economy. The Sessional Paper No. 2 of 1992 on Small Scale and Jua Kali Development in Kenya focused on the role of Micro and Small Enterprises and stressed the potential of the MSE sector to function as a catalyst of growth for the country's development. The Micro and Small Enterprises and especially those owned by women are a useful tool for Poverty reduction (45%), Promotes Rural Urban balance and Stimulate Entrepreneurial spirit and development. Despite their significance, past statistics indicate that three (3) out of five (5) businesses fail within the first few months of operation. The study aimed at determining the influence of Entrepreneurial Orientation, Group Dynamics, Legal and Regulatory Framework and Strategic Partnership on the Performance of Women Owned enterprises. Literature related to the variables of the study was reviewed in relation to performance of women owned enterprises. The social cultural theory of entrepreneurship was used in the study. The study employed a cross sectional descriptive research design and employed a positivism philosophy. The study sample size was 260 respondents identified through two stages of probabilistic sampling techniques; stratified and simple random sampling because of the population's homogenous characteristics. Data was collected using structured questionnaire and interview guide. Reliability testing was carried out using Cronbach's Coefficient Alpha test, which was found to be above 0.7, it indicated satisfactory reliability. Descriptive and inferential Analysis was carried out. Inferential Statistics used the regression models and ANOVA. For each objective, the decision to reject or fail to reject the null hypothesis was based on the significance of coefficients ($p < 0.05$) of the related variables in the fitted regression. The study found out that Entrepreneurial Orientation had a positive influence on firm performance of Women Owned Enterprises. Similarly, the study found that Entrepreneurial Group Dynamic was a key characteristic of most of the businesses in the study region with most of these businesses being observed to apply various Entrepreneurial Group Dynamic strategies such as training, networking and leadership in their operations. The study also found the influence of Legal and Regulatory Framework on firm performance to be positive and significant. Finally, the inferential statistics indicated that Strategic Partnership had a moderating influence on Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal and Regulatory Framework and firm performance. The study therefore concludes that Entrepreneurial Orientation, Entrepreneurial Group Dynamic, Legal and Regulatory Framework, and Strategic Partnership influence the Performance of Women Owned enterprises. The findings of this study supports and add knowledge to previous studies on entrepreneurship. The results supports the social cultural theory, that entrepreneurship can develop in a society when its culture permits a variety of choices and where social processes are not rigid and in a situation which encourages the development of personalities interested with enterprises. Entrepreneurial groups are likely to promote entrepreneurship and economic

development. Such individuals are suited to make creative adjustments and thereby develop genuine innovations in women owned enterprises. The study recommends all stakeholders in entrepreneurship, policy and practice and women entrepreneurs to enhance the application of Entrepreneurial Orientation, Entrepreneurial Group Dynamic, Legal and Regulatory Framework, and Strategic Partnership in the Women Owned Enterprises in Embu County. The research suggests further studies targeting the three variables in varying environment to assess their outcomes and relationship towards their inclusion in the entrepreneurship theories and practice.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

World over, the SMEs are considered as the backbone of the global economy. The contribution of SMEs to economic fundamentals varies substantially across countries: richer countries typically have larger SME sectors and smaller informal sectors than poorer countries, and open economies tend to have smaller SME sectors than relatively closed ones. History and legal tradition can play a very important role too: for instance, former Soviet countries tend to have disproportionately small SME sectors, even when controlling for per capita income. It is equally important to appreciate that a great deal of enterprise activity takes place not among ‘formal’ SMEs but in the informal economy, and that the two sectors constantly flow into and out of each other. Global research suggests that the combined share of formal SMEs and the informal sector is fairly stable across country income groups, with activities shifting from the informal to the formal economy as markets and their institutions develop and regulations are eased (WB, 2013; ILO, 1991; Arman & Arif, 2009; Stokes et al., 2010; Bowman, 2006; Nthuni, 2014).

The smallest of businesses globally are often said to exist in a Schumpeterian world of continuous creative destruction as the market weeds out the least sustainable business models or the least successful owner-managers. While this underestimates the vast number of steady-state, lifestyle businesses with little entrepreneurial aspiration it is fair to say that the SME sector is highly dynamic. In 2002, the Global Entrepreneurship Monitor (GEM) report suggested that as many as 460 million adults around the world might be engaged in entrepreneurial activity and that this might result in the creation of about 100 million new businesses (Khandakar & Danopoulos, 2004; K’Aol, 2008; Nthuni, 2014).

The future of Africa development lies to a large extent in the hands of its indigenous SMEs. These are the firms that will; create most of the private sector jobs that a rapidly growing labor force is craving; meet surging African demand for products and services; local entrepreneurial talent will grow and realize it self and become the

future champions of African industry. In Africa various internal and external drivers of performance of enterprises have been expounded. The internal factors that influence the performance of small businesses include: Infrastructure; Competition; and Supporting and related industries while the external factors include: Technology and capital; Human resource; Managerial capability and Dynamic capabilities (Stokes et al., 2010; K'Aol, 2008).

Micro and Small Scale Enterprises play a major role in strengthening the Kenyan economy. The Sessional Paper No. 2 of 1992 on Small Scale and Jua Kali Development in Kenya (GoK, 1992) focused on the role of Micro and Small Enterprises (MSEs) and stressed the potential of the MSE sector to function as a catalyst of growth for the country's development.

According to the Economic Survey (2006), the sector contributed over 50% of new jobs in the year 2005. Despite their significance, past statistics indicate that three (3) out of five (5) businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007). MSEs are a source of employment, competition, economic dynamism and innovation; they stimulate the entrepreneurial process and the diffusion of skills. Due to their widespread geographical presence, MSEs also contribute to a more just distribution of income (Woodie, 2008; OSCE, 2006). According to World Bank, MSEs have such a crucial significance in the development of an economy that they cannot be ignored hence their development need to form one of the objectives of any country (WB, 2002). A study by Nthuni (2014) stated that the SMEs in Kenya employed 3.2 million people and accounted for 18% of the National GDP. The Sessional Paper No. 2 of 1996 on Industrial Transformation to the Year 2020 (GoK, 1996) also states that recent years have demonstrated the dynamism of the MSE sector in creating employment and providing attractively priced products. It further recognised that it was only through rapid and sustained economic growth that the national wealth can be created and thus increased employment and incomes viable enterprises (WB, 2013; Bowman, 2006; Nthuni, 2014).

By exploiting the potential of the MSE sector, the Sessional Paper (GoK, 1992) further states that this will provide the resources to support measures to alleviate

poverty. The Central Bureau of Statistics (CBS, 1998), estimates that some 45% of the Kenyan population live below the poverty line. This study identified a number of poverty related indicators to include declining secondary school enrolments, children malnourishment (29%), 34% of the population under 5 years is estimated to be stunted, inequalities in income and access to health and education. Various studies done have shown that MSE sector has a high hope of alleviating poverty through creation of jobs and income (McCormick, 1992). However, there are some attributes of the informal sector that makes it a useful tool for poverty reduction. The sector is a primary source of employment and income.

It expanded from employing 3.7 million people in 1999 to 5.1 million in 2002 according to Sessional Paper No.2 of 2005 on Development of Micro Small and Medium Enterprises for Wealth and Employment Creation for poverty Reduction (GOK, 2005; Bowman, 2006; Nthuni, 2014), the ease of entry and exit, require little capital to operate, reliance on locally available resources, family ownership, small scale of operation, and labour intensive and adaptive technology (ILO, 1991).

The Sessional Paper No. 1 of 1986 on Economic Management for Renewed Growth (GoK, 1986) indicated that there were many opportunities for the development of Small and Micro Enterprises within the Kenyan economy. Such opportunities are available in the field of agriculture, manufacturing, construction, transport, extraction and service industries. The entrepreneurs are recognised as the life blood of the Kenyan liberalised economy. These are the men and women of vision, creativity, energy and the courage to face failure so as to achieve success.

1.1.1 Performance of Women Owned Enterprises

The Kenya National Housing and Population Census (2009) indicated that the women constitute a population of slightly above 51% as compared to the men who were 49%. Women in Kenya have been marginalized from accessing economic resources and opportunities, a concern that is being addressed by the government through the implementation of the Constitution of Kenya (2010). Economic and social development of a country cannot be achieved when more than half of its population is at the periphery. For a long time, women have been marginalized from

economic participation, leaving out the greatest percentage of human capital from development, (Yunus, 2000; Khandakar & Danopoulos, 2004; Scarborough, 2011). The Kenyan women have increasingly been recognised to play critical role towards the growth of the Kenyan economy. The ILO report of 2004 indicated that 44% of the number of women in MSEs expressed a strong desire to venture in self-employment. The current trends in Kenya reveal that the number of women entrepreneurs in Kenya has increased in the past decade due to emphasis on industrialization and the growing interest in privatization, self-employment and business oriented employment. The growth of such sector like banking and financing, food manufacturing, trading, personal and public services, education and consultancy have triggered the growth. A study by Mukulu et al. (2006) revealed that Kenyan women have ventured into enterprises that were previously male dominated. Researchers have made attempts to distinguish between entrepreneurial ventures from non-entrepreneurial ventures.

Women entrepreneurial ventures are considered to exhibit certain entrepreneurial characteristics such as high propensity to undertake risk, innovation, Proactiveness, autonomy, competitive advantage and networking.

Such ventures are considered growth oriented and aim at changing in the future. The size of such businesses and growth are typically used as key criteria for evaluating performance and success. The perception of women in relation to businesses is different from the way men perceive their businesses. Scholars have argued that this could be attributed to the women's different socialization, prior professional experience, training and social network affiliations (Mukulu et al., 2013). Namusonge (2006) indicated that women perform less well on quantitative measures such as job creation, sales turnover and profitability. The reason for this is because women do not enter business for financial gain but to pursue intrinsic goals such as independence, flexibility to run business and domestic lives. Other researchers have advanced that the performance of WOE is highly influenced by the differences in initial capital and goals to explain the poorer performance of WOE (GOK, 2005).

Mukulu et al. (2013) explained that among the list of priority determinants to women entrepreneurship is lack of; access to credit, formal business and social networks,

opportunities to gain managerial experiences and exposure as well as the limitations of combining household and family care responsibilities with those of running the business. These factors can broadly be categorized into two; namely, internal and external thereby impacting on the performance of WOE. The benefits of WOE have been noted by various scholars. A report by World Bank (2003) revealed that women entrepreneurs play a critical role in developing any particular sector, economy of any country, alleviating poverty, increasing employment and above all providing items of daily use at an affordable cost. Women entrepreneurs are the engine of growth, essential for a competitive and efficient market, critical for poverty reduction and play a particular important role in developing countries. The Majority of the women entrepreneurs in Kenya have lacked capital to run their businesses and could not access credit from banks due to lack of collateral coupled with poor educational background and lack of access to professional careers. MSEs have low survival rate, less than a third of Women businesses survive the transition from second to third generation ownership (Bowman, 2006; Nthuni, 2014). This calls for entrepreneurial intervention strategies to enhance their performance in the county.

1.1.2 Rationale for the setting up of the Women Enterprise Fund

The Government of Kenya has been proactive in turning around this situation by coming up with measures to address the plight of women. In the country's long term blue print Kenya Vision 2030, which aims at creating a globally competitive and prosperous country with a high quality of life by the year 2030, the aspiration of the Kenyan government is to reduce gender disparities by making international community's commitment to the realization of the UN SDGs. The Women Enterprise Fund promotes the realization of the United Nations First (1st) and Fifth (5th) Sustainable Development Goals (SDGs) on poverty reduction and Gender Equality and Women Empowerment. Women empowerment is recognised in the Kenya's Constitution (COK, 2010).

The emphasis on the MSEs Sector financing has led to the creation of organisations which direct funding to the small business operators. The WEF was established as a flagship project under the Social Pillar in Kenya Vision 2030. WEF is a Semi-Autonomous Government Agency (SAGA), currently in the Ministry of Public Service, Youth and Gender Affairs, established through a Legal Notice No.147, the (WEF) Regulation, 2007 in the Government Financial Management Act, 2004. The WEF envisions to socially and economically empowering Kenya women entrepreneurs for economic development through mobilising resources, and offering access to affordable credit and business support services to women entrepreneurs. The fund has various mandates, namely; provision of affordable and accessible credit to women entrepreneurs for enterprise development; capacity building of women entrepreneurs and their institutions; promotion of local and international marketing; promotion of linkages between Micro, Small and Medium Enterprises owned by women with large companies and facilitate and support investment in infrastructure that support women enterprise-e.g. business markets and business incubators.

In a thematic hearing on women by the Truth and Reconciliation Commission (8th February 2012, the CEO/Director WEF reported that a total of Ksh 1,997,746,000¹ had been disbursed as loans benefiting 439,248 women using the two distribution channels: Constituency Women Enterprise Scheme (CWES) also known as *Tuinuke Loan* -Meaning uplifting the lives of the women, where a total of Ksh 649.7 million had been disbursed, benefiting approximately 376,860 individual women in organised 12,462 Self Help Groups.

Tuinuke loan is interest free, with only a one-off 5% administrative fee and is payable within (1) one year and with three (3) months grace period. The WEF Loans are also channelled through the Financial Intermediaries Partners (FIPs), also known as *Jiimarishe loan*-meaning expanding the women enterprises where approximately 103 Financial Intermediaries have been recruited with technical capacity to carry out financial intermediation beyond credit. *Jiimarishe loan* is given to individual women,

self-help groups or companies owned by women, and with an interest rate of 8% per annum on a reducing balance (3 years repayment period) .The terms and conditions for *Jiimarishe loan* are as per the requirements of the financial intermediaries. The ultimate goal of this noble Government’s intervention is to nurture women from exclusion to inclusion in the formal sector.

The WEF has employed various strategies to reach women; the media, participation in ASK shows, exhibitions in Counties, farmers field days and partnerships with provincial administration. The WEF uses both group-based and individual-based model of leading to women entrepreneurs. In the light of this, the WEF need to address the changes that the fund has created and to document the impact of the WEF on the target beneficiaries, the Performance of Women Owned Enterprises. The WEF is expected to provide Kenyan women with access to alternative financial services aimed at positively impacting on family welfare and increase the estimated earned incomes. The fund is also intended to strengthen women’s voice and bargaining power within the home as well as in the wider community

As indicated in Table 1:1 the WEF annual allocation for 2007 to 2013 was Ksh 2,666 Million. The funds operations are decentralized up to the County and Sub County level as far as devolution is concerned. The Public Finance Management Act, 2012 (GOK, 2012; GOK, 2013) categorized the fund as a National Fund. The Fund receives 100 percent financial support from the Government of Kenya through the Annual Budgetary Allocation. The WEF, since its inception has continued to rely on the government treasury for financial support.

Table 1. 1: WEF Annual Allocation 2007-2013

YEAR	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Totals
Amount Ksh							
Millions	1,000	350	400	390	350	176	2,666

Source: WEF, 2013

Nationally, from the government treasury receipts the fund has been able to disburse loans amounting to Ksh 2.6 billion benefiting over 614,414 women entrepreneurs in 210 constituencies. Embu County is located in Eastern Kenya, it borders the following counties; Tharaka Nithi to the North, Kitui to the East, Machakos to the South, Muranga to the South West, Kirinyaga to the West, and Meru to the North West. The county has an area size of 2,818 Km². According to the 2009 Kenya National Housing and Population Census, the county had a population of 516,212 (Male – 49 % and Female – 51 %).

The population density was 183 people per Km². As indicated in Table 1.2, the Four Sub Counties of Embu County had received a total of Ksh 30, 524, 200 Million with a repayment rate of 75 percentage by 2013.

Table 1. 2: Loan Uptake – Number of Women Funded

Sub County	1st Time Borrowers	2nd Time Borrowers	3rd Time Borrowers	Amount Disbursed (Ksh)	Repayment Rate
1 Mbeere North	1650	120	0	6,300,000	69%
2 Manyatta	3015	360	15	12,539,500	75%
3 Runyenjes	1830	210	15	7,534,700	92%
4 Mbeere South	1095	75	0	4,150,000	58%
Total	7590	765	30	30,524,200	74%

Source: WEF 2013 (Eastern Region WEF Report)

Table 1:3 shows the Forty Seven (47) Counties contribution to National Poverty. The Economic Survey of 2014, (KNBS, 2014) indicated that Embu was one of the Counties with very low poverty levels of 1.06 per cent (Ranked top ten, i.e. number 07 out of 47 best Performing Counties in Kenya) and had recorded one of the highest economic growths. The other counties within the WEF Eastern Region were: Isiolo (0.73%), Meru (2.44%), Marsabit (1.29%), Tharaka Nithi (0.87%), Kitui (3.48). The Study aimed at establishing whether the positive registered economic growth in the

county had been influenced by the government entrepreneurial intervention strategies and its effect on business performance of women.

Table 1. 3: Counties Contribution to National Poverty

Range (%)	Degree of Contribution	No. of Counties
0 – 1.5	Very Low	15
1.6 – 3.0	Low	22
3.1 – 4.5	Medium	08
4.5 – 6.0	High	02
TOTAL		47

Source: Economic Survey, 2014

1.2 Statement of the Research Problem

Micro and Small Enterprises experience a myriad of constraints that range from financial (Marlow & Carter, 2004; Fielden & Davidson, 2005), lack of training (Stevenson & St-Onge, 2005; Mutuku et al., 2006), markets for their products (GOK, 2005), regulatory procedures (Kibas, 2006) and competition from large and other MSEs (K’Aol, 2008). All these pose a great danger to the existence and the performance of the MSEs. One of the biggest obstacles that has been cited in MSEs is access to either start-up or expansion entrepreneurial capital (Abel & Oketch, 2009; Arasi & Garajafary, 2012; Kaur, 2010; Khanka, 2012). Lacking sufficient credit, entrepreneurs are seldom able to take advantage of quantity discounts on new materials, and are unable to extend credit to their customers (Mousavi & Jari, 2012). To overcome this challenges in Kenya, the government has since 2007 (Abel & Oketch, 2009) provided interventions and support to MSEs in Kenya, of which the Women Enterprise Fund (WEF) a Semi-Autonomous Government Agent (SAGA) is one such entrepreneurial intervention. This is a loans scheme to women entrepreneurs achieved through various lending institutions like K-Rep, Faulu-Kenya and Kenya Women Finance Trust (KWFT) (Abel & Oketch, 2009). Despite this scheme, MSEs Performance, growth and existence still remain quite low (Roomi, 2009; Afza & Rashid, 2009; Nthuni, 2014). The success of the scheme and its impact

on the MSEs has been blamed on the outreach model which is based on social capital dependent on group dynamics (Bennet & Richardson, 2005), the Legal Regulatory Framework in which the scheme and enterprises operate (Abel & Oketch, 2009) and industry players (WEF, 2009), which formed the basis for this study.

A study by McLennan and Troutbeck (2002) on Strategic Partnering revealed that SPs are the current business strategies that will prove effective in these times of complexity, network organizations and social system change. Such co-operative relationships have been considered to assist organizations gain new competencies, increase their commercial “reach”, share resources and risks, and to move more quickly to take up new opportunities. However, they reported that such partnerships affect business performance as they fail to meet expectations, if too little attention is given to developing and maintaining relationships and interpersonal connections that unite the partnering organizations.

The purpose of the study was to determine to what extent Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework and Strategic Partnerships, influence the Performance of WOE in Embu County.

The study focused on the beneficiaries of WEF in Embu County who had received loan more than once between June 2007 and June 2013 in the County.

1.3 Objectives of the Study

1.3.1 General objective

The general objective of the study was to determine the influence of Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework and Strategic Partnerships on the Performance of Women Owned Enterprises in Kenya.

1.3.2 Specific Objectives

The specific objectives were: -

- 1) To establish the influence of Entrepreneurial Orientation on the Performance of Women Owned Enterprises in Embu County.
- 2) To determine the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises in Embu County.
- 3) To establish the influence of Legal Regulatory Framework on the Performance of Women Owned Enterprises in Embu County.
- 4) To determine the moderating influence of Strategic Partnerships on Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework and the Performance of Women Owned Enterprises in Embu County.

1.4 Research Questions

- 1) What is the influence of Entrepreneurial Orientation on the Performance of Women Owned Enterprises in Embu County?
- 2) What Entrepreneurial Group Dynamics influence the Performance of Women Owned Enterprises in Embu County?
- 3) What is the influence of Legal Regulatory Framework on the Performance of Women Owned Enterprises in Embu County?
- 4) What is the moderating influence of Strategic Partnerships on Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework and the Performance of Women Owned Enterprises in Embu County?

1.5 The Study Hypotheses

The hypotheses discussed assumed that there are relationships between various research variables after review of literature. The conceptual framework in Chapter Two discussed the following hypotheses while Chapter Three described how the hypotheses were tested.

- a) **H₀₁**: Entrepreneurial Orientation has no significant influence on the Performance of Women Owned MSEs in Embu County.
- b) **H₀₂**: Entrepreneurial Group Dynamics has no significant influence on the Performance of Women Owned MSEs in Embu County.
- c) **H₀₃**: The Legal Regulatory Framework has no significant influence on the Performance of Women Owned MSEs in Embu County.
- d) **H₀₄**: The Strategic Partnerships do not significantly moderate between Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework and Performance of Women Owned MSEs in Embu County.

1.6 Significance of the study

The study is important to the following: -

Policy Makers

Policy makers can formulate entrepreneurship policies and programs that are geared towards encouraging effective performance of Women Owned businesses and the interrelationship between money lenders and MSEs. The implementation of such policies may accelerate the performance of women enterprises and facilitate accessibility of formal financial institutions and enhance growth of the economy in Kenya.

Researchers

Interested researchers can use the findings of the study to understand the issues raised in this study that are related to the influence of entrepreneurial orientation, group dynamics, legal and regulatory framework and strategic partnerships on the performance of Women owned businesses. The researchers may use the findings of this study as reference material and/or basis for further research.

Target Community

The study targeted the four sub counties of Embu County, namely Manyatta, Runyenjes, Mbeere North and Mbeere South. The MSEs and the residents of these regions will benefit from the spill over effects of improved Business Performance and sustainability of the enterprises. Such benefits may include employment and sustained supply of quality goods and services at an affordable cost. The study will add value to the communities as the county Government will develop and implement policies geared towards improving the welfare of the Women in the Embu County.

The Lending Institutions and Financial Intermediary Partners

The results of this study might influence the attitude of the government, SAGA, banks and other lending institutions towards MSEs.

These institutions could also use the results of this study to improve the facilities and supports offered to the sector and understand the socio-economic impact of the loans on the target beneficiaries.

The WEF is a unique institution in several ways, namely; its very existence as a government agency goes against the traditional best international practice in microfinance, which is private sector or NGO driven, its high ranking as a flagship project under social pillar in the country's Vision 2030 development blueprint, it's a demonstration of Kenya's international commitment to the achievement of the first(1st) and fifth (5th) Sustainable Development Goals on women empowerment and gender equity, and it targets women who constitute slightly over 50% of the Kenyan population, but nonetheless have been marginalized from accessing economic

resources and opportunities for myriad reasons, such as institutional, cultural and structural factors. The Public Finance Act, 2013 categorised the fund as a national fund drawing its resources from the exchequer.

Embu County Government

The study will be of benefit to the County Government of Embu in the implementation of the County Integrated Development Plans (CIDP) and related policies. The Economic Survey of 2014 (KNBS, 2014) indicated that Embu was one of the Counties with low poverty levels and had recorded one of the highest economic growths. The WEF Eastern Region coordinated the disbursement of funds to women in six (6) counties, namely; Embu, Isiolo, Kitui, Marsabit, Meru and Tharaka Nithi.

The WEF had financed five hundred and six (506) groups in Embu County through the Constituency-Women Enterprise Scheme (C-WES) out of which fifty one (51) groups had been financed twice and two (2) groups financed thrice.

The total amount disbursed in Embu Country was approximately Thirty million (Ksh. 30.524 M). This was distributed to groups in the four (4) Sub Counties as Shown in Table 1.4:

Table 1. 4: Number of Groups Funded

Sub Counties	No. of Groups 1st Cycle Loans	No. of Groups 2nd Cycle Loans	No. of Groups 3rd Cycle Loans
Mbeere North	110	8	0
Manyatta	201	24	1
Runyenjes	122	14	1
Mbeere South	73	5	0
Total	506	51	2

Source: WEF 2013 (Eastern Region WEF Report)

1.7 The Scope of the study

The study was carried out in Embu County which is one of the Forty Seven (47) Counties in Kenya (COK, 2010). The Embu County Government is divided into four (4) sub counties, namely Mbeere North, Mbeere South, Manyatta and Runyenjes. The study was conducted between August 2014 and February 2016. The main variables that the study focused on included; Entrepreneurial Orientation, Legal and Regulatory Framework, Group Dynamics, Strategic Partnerships and Performance of Women Owned Enterprises. To achieve the objectives of the study, research questions and hypotheses were developed. The main statistical model that was used for this study was the multiple linear regression models. For each objective, the decision to reject or fail to reject the null hypothesis was based on the significance of coefficients ($p < 0.05$) of the related variables in the fitted regression. The study targeted a total of seven hundred and sixty five (765) WEF Loan beneficiaries in Embu and especially those that had taken the loan more than once as shown in Table 1.5.

Table 1. 5: Geographical Scope

Constituent/ Sub County	2 nd Time Borrowers	3 rd Time Borrowers	Total 2 nd and 3 rd Borrowers	Proportional Allocation (Sample size)	Stratum Percentage (%)
1 Mbeere North	120	0	120	39	15
2 Manyatta	360	15	375	122	47
3 Runyenjes	210	15	225	74	28
4 Mbeere South	75	0	75	25	10
Total	765	30	795	260	100%

Source: WEF 2013 (Eastern Region WEF Report)

To determine the proportionate allocation for each Sub County the computation was carried out as stated: the first step was to determine the total number of the 1st and 2nd borrowers' for each Sub County, second step was to calculate the total number of the 1st and 2nd borrowers in the Four Sub Counties and lastly was to compute the proportionate allocation which was the total of 1st and 2nd borrower for each Sub County divide by total of 1st and 2nd borrowers in the entire Embu County multiply by total of proportionate allocation for the entire County. For example, for Manyatta Sub County the computation was: $120/795=0.15*260=39$. This computation formula was used to determine the proportionate for Runyenjes, Mbeere North and Mbeere South Sub Counties respectively.

1.8 Limitations of the Study

During the study, various challenges were experienced, namely:

Remoteness and accessibility of the research area; some areas within Embu County had poor road networks and the means of transport were not reliable for use by the researcher and the Research Assistants. It was noted that this could have affected the coverage and data collection. To address this challenge, other alternative means of transport like the motor cycles and bicycles were used.

Co-operation from the entrepreneurs in giving useful research information; accessing the women entrepreneurs was a challenge in proving research information. The research area was vast and getting the women was a challenge. The researcher used the contact persons provided by the Eastern Region WEF Coordinator in the various Sub Counties of Embu County. The contact persons played the role of mobilizing the women and putting them in strategic locations where the questionnaires could easily be administered by the research assistants.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The literature reviewed for this study was organised under various themes; Theoretical framework, Conceptual framework, EO and Performance of WO MSEs. The study explored the relationship between EGDs and Performance of WO MSEs, LRF and the Performance of WO MSEs and SP and Performance of WO MSEs. The chapter covered empirical Review of previous studies, research gaps, summary and conclusion of review of literature.

2.2 Theoretical Framework

2.2.1 Entrepreneurial Model of Growth

A number of growth models have been developed (Greiner, 1972; Churchill & Lewis, 1983; Scott & Bruce, 1987; Stokes & Wilson, 2006; Kuriloff et al., 1999) to describe the needs and characteristics of MSEs at various stages of development. The life cycle approach also referred to as descriptive (Dobbs & Hamilton, 2007), though criticised by certain authors Storey (1994) and Garnsey (1998) has been used in a number of empirical studies to explain the performance of enterprises at various stages (Miller & Friesen, 1984; Kazanjian, 1988). Needs vary as small businesses advance or evolve (Liedholm, 1993; Kuriloff, Hemphill & Cloud, 1999; World Bank, 1994).

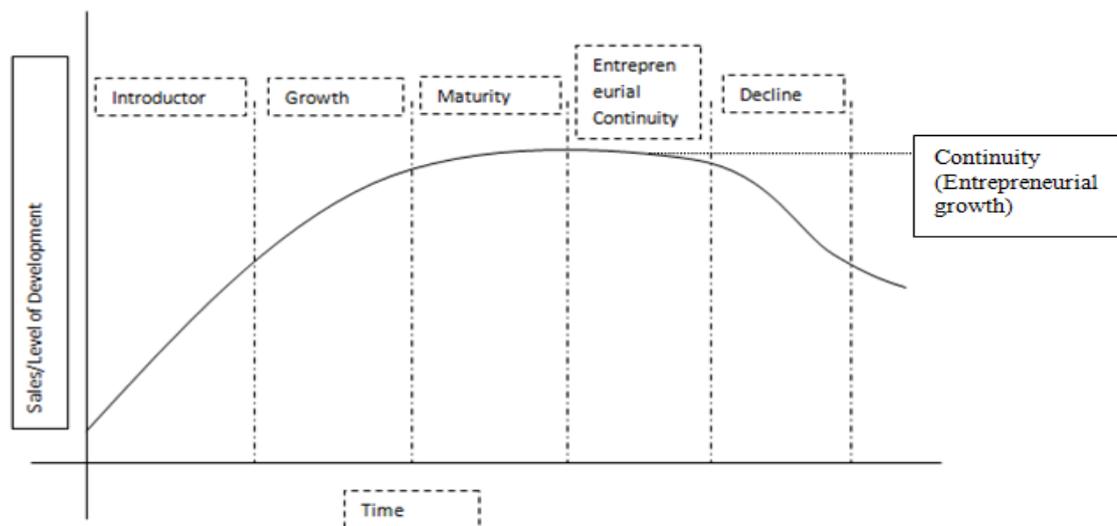


Figure 2. 1: Needs and Characteristics of a Small Business at Different Stages

Source: Kuriloff et al. (1999)

For the purpose of this study, Kuriloff et al. (1999) growth model was used as a reference for the growth and performance of enterprises as indicated in Figure 2.1. Their approach is analogous to lifecycle approaches to products, implying introductory stage, following growth, maturity, entrepreneurial continuity and eventually decline. Each stage has its challenges that can be approached in different ways. The implication of such an approach is that performance of an enterprise should be linked to the age of the firm.

The Introductory Stage

This is the stage when the market is very small and the production costs and start-up expenses are high. The aim of the enterprise at this stage is to stay alive. At this stage, the entrepreneur needs seed money for rent, supplies, inventory, equipment, wages, advertising, licences and fees and other expenses associated with starting a business. These activities typically demand an aggressive entrepreneurial strategy with maximum efforts devoted to launching the venture. The stage is similar to Chandler's description of the rationalization of the use of resources.

This is an exciting period marked by clumsiness and a high potential for failure. The pricing is experimental and in some cases, competition has not developed in the area. There are few customers ready to buy the product or service, therefore, the customer must be educated about or be made aware of the product or service. The source of finance during the introductory stage includes personal resources, wealthy investors and friends and relatives. Friends, family members and capacity building institutions play an important role in this stage of proving social capital to the entrepreneur. The stage is typified by strategic and operational planning steps designed to identify the firm's competitive advantage and uncover funding sources. Marketing and financial considerations tend to be paramount during this stage (Kuratko, 2009).

The Growth Stage

This is the second stage when the business requires additional financing for business expansion - the hiring of full time sales personnel, buying advertising, building new production facilities or investing in new product development. By this time, the business will have developed its products/services successfully, marketed what the business offers and generated respectable sales revenue. The market expands rapidly and competition emerges. Several alternatives exist for acquiring growth enabling funds.

The source of finance at this stage includes suppliers, commercial banks, hire purchase, venture capital firms, trade discounts, lease and small business loans. The major sources of social capital and networks at this stage include professional advisors, mentors, staff, suppliers/distributors, family and friends. The challenges in this stage require the entrepreneur to develop a different set of skills while maintaining an entrepreneurial perspective (Kuratko, 2009; Allen, 2010). The stage is a transition from entrepreneurial one person leadership to managerial team oriented leadership.

The Maturity Stage

During this stage, the number of customer's peak, so new customers are taken from competitors instead of the expanding markets (Kiunga, 2009). Design concentrates on lowering costs rather than improving products. In this stage, competition becomes severe and the enterprise has to increase advertising and lower prices to keep customers.

The Entrepreneurial Continuity

At this stage the business has stabilized and established its competitive edge in the market. The entrepreneurs need to be innovative (Kiunga, 2009; Kuratko, 2009; Maragia, 2008) and embrace broader networks and entrepreneurial Strategic Partnerships to continuously remain relevant in the market (Bwisa, 2011).

The Decline Stage

Firms that fail to innovate will die (Kuratko, 2009; Stokes, Wilson & Mador, 2010). This stage exists when competition is very intense and sales fall off because new products have replaced the old ones, or the need for the product has disappeared. At this stage, all research and development has stopped and advertising disappears, price wars continue which result in deep discounting. Eventually, the business abandons the product altogether. Financially successful enterprises often will try to acquire other innovative firms (Drucker, 2007; Kuratko, 2009) thereby ensuring their growth. Many firms will also work on new products/service development to complement current offerings, cut costs, and redesign the business plan or obtain personnel capable of managing the expansion or shift to maturity activities (Kiunga, 2009; Maragia, 2008).

All of a venture life cycle stages are important points and each require a different set of strategies. Such model have limitations as growth is rarely smooth and does not necessarily take place in the order of the model; many enterprises reach a stable size and never grow out of this phase. (Stokes et al., 2010). The Performance of an enterprise is influenced by the entrepreneur, the enterprise, the management strategy and the external business environment.

2.2.2 Social Cultural Theory of Entrepreneurship

The study was founded on the Social Cultural Theory of Entrepreneurship. The theory was propounded by Hoselitz (1964) on the assumption that certain persons are endowed with creative power in any cultural or social group and they develop different attitudes while practicing social conduct, entrepreneurship can be developed in a society in which cultural norms permit variability in the choice of paths of life and in which the relevant processes of socialization of the individual are not so completely standardized. The entrepreneurs develop their attitudes in the direction of productivity and creative integration. The advocates of the social cultural theory point out that entrepreneurship is a product of culture (Mohanty, 2005). Entrepreneurial talents come from cultural values and cultural systems embedded into the cultural environment. The theory holds that entrepreneurship is bound to get a boost in a particular social culture. The society's values, religious beliefs, customs, taboos influence the behaviour of individuals in a society. The individual in this case plays the role of a performer according to the role expectations of the society.

Hoselitz argued that entrepreneurship can develop in a society when its culture permits a variety of choices and where social processes are not rigid and in a situation which encourages the development of personalities interested with enterprises. He suggested that marginal groups are likely to promote entrepreneurship and economic development. Such individuals are suited to make creative adjustments and thereby develop genuine innovations (Hunter & Boyd 2003; Khanka, 2012; Stokes et al., 2010).

Mohanty (2005) noted that Hoselitz theory posits that the supply of entrepreneurship is governed by cultural factors and culturally minority groups are spark plugs of entrepreneurial and economic development. This attempts to explain why certain socio cultural groups have spurred development and small business growth in many countries. The theory seemingly presents a holistic view of entrepreneurship by considering the influence of factors such as innovation, managerial skills, social class, leadership skills and personal traits (Deakins & Freel, 2009; Khanka, 2012).

The Social Cultural Theory of Entrepreneurship explains the variables of the study, namely EO, EGDs, LRF and SPs. When women entrepreneurs form groups they are in a position to bring to the groups different attributes like proactivity, risk taking, creativity and innovativeness. The types of socialization that individual women go through in life supply them with entrepreneurial skills which are later transferred to the groups and enterprises.

Entrepreneurship develop in a society when its culture permits a variety of choices and where Legal and Regulatory Framework are not rigid but flexible and in a situation which encourages the development of personalities interested with the growth of enterprises. The type of socialization that members go through in the society influences their understanding and interpretation of the existing Legal and Regulatory Framework. Societies are made up of networks (Stokes et al., 2010) and business activities occur and are embedded in relationships between people. Each society is made up of actors communicating and partnering with one another and operating individually and in groups to create value. Granovetter 1992, as quoted by Stokes et al. (2010) argued that economic activity can be understood only by seeing it within the social context of individuals and organisations connected by a variety of ties. The leading institutions have assumed the necessary risks, innovativeness and proactivity and engaged in entrepreneurial Strategic Partnerships to help access women entrepreneurs with entrepreneurial finances.

2.2.2 Hagen's Theory of Entrepreneurship

This theory of entrepreneurial behaviour was propounded by Hagen Everett ((Deakins & Freel, 2009). The theory is also referred to as the *Withdrawal of Status Respect*. Hagen attributed the withdrawal of status respect of a group to the genesis of entrepreneurship. That the withdrawal acts as a trigger mechanism for changes in personality formation. Status withdrawal occurs when members of a certain group or party perceive that their purpose, goals, values and aspirations are not respected and considered to be important by another group that the subjects hold with high esteem and they also respect. One group perceives that the other group is not reciprocating the initiatives that the other group is providing. Hagen advanced that this perception could trigger various reactions and create different personality traits such as;

Retreatist where the entrepreneur will continue to perform the day to day duties but remain indifferent to his work or status; *Ritualist*, meaning that the entrepreneurs works as per the norms in the society but has no hope of improving the business performance or the current status; *Reformist* are rebellious and will always try to bring in new ways of working and a new community and lastly are the *Innovators* who are creative and try to achieve their set goals.

For women to regain the lost prestige and glory it becomes more active and aggressive and hence gives rise to many entrepreneurs in the society. Hagens theory has been supported by McClelland who admitted that a suppressed community or group will always exhibit creative tendencies.

McClelland stated that the behavior of such groups could arouse achievement in its members but its extent depended upon the initial level of motivation and the means available to the groups to achieve its achievement motivation. Hagen sees the entrepreneur as a creative problem solver interested in things in the practical and technological realm and driven by a duty to achieve. The theory was found relevant in this study as it helped to explain the variables of the study, namely, entrepreneurial orientation, group's dynamics, legal regulatory frame work and the performance of WO MSEs.

2.2.3 Entrepreneurial Financing of Small and Micro Enterprises

There are no generally accepted definitions of MSEs. Some people use assets base as the defining rod, some use turnover levels, some use the number of employees, while others use some combinations of the three criteria (Irungu, 2008; Nyambariga, 2012).The Government of Kenya (GoK, 1992) uses the number of employees as the criterion for distinguishing MSEs from non-MSEs and defines a MSE as any enterprise with fewer than 50 employees. In Kenya, such employees are engaged in trade, commerce, distribution, transport, agribusiness, manufacturing and repairs and maintenance.

Despite its perceived importance in generating employment and production, the MSE sector in Kenya has very inadequate access to credit. Only a very small percentage of MSEs have any access to institutional credit (ILO, 1999; Njeru, 2013). Most of their

financing, therefore, comes from own savings or informal credit markets controlled by NGOs and community welfare groups. A few MSEs have been able to obtain credit from specialised credit agencies - commercial banks, DFIs, financial co-operatives, NGOs and the government. The problems of lending occur at three (3) levels: individual, lending institution and the government. Several factors have been identified as constraining the flow of funds to the MSE sector in Kenya. These factors are: - An inadequate pool of lendable funds, the available pool of lendable funds is greatly limited by the tendency of the government to borrow extensively to finance its budget deficits, the stringent financial regulations introduced in 1987 following the 1985-6 financial crisis were not in the spirit of liberalisation.

The Sessional Paper No. 2 of 1992 on MSEs proposed a strong interventionist policy in aid of MSEs especially in their access to credit - this directly conflicts with the other government policy of liberalising financial markets, and various informal credit markets have evolved over the years to serve the MSE sector, for example, financial co-operatives, NGOs, moneylenders, among others. This makes it difficult to determine the total volume of funds mobilised through them and channelled to the SMEs. Entrepreneurs requiring loans, either short term or long term, are required to have tangible collateral, be of good character and capable of repaying the loan.

In a study carried out in Tanzania on micro finance and enterprise performance (Olutuala & Obamuyi, 2008), it was revealed that micro credit was positively related to the firms profitability and that profits of enterprises tended to increase with increasing amount of loans. These findings are consistent with the study of Masakure et al., (2008) that access to credit should lead to higher profits and if credit is accessible and reasonably priced, it allows firms to address liquidity constraints and thus aiding profitability and growth.

A case study of Grameen Bank Transformation to Grameen 11 by Herry, Arman and Arif (2009) revealed that the poorest borrowers in Bangladesh become worse off as a result of the credit as they did not acquire assets and skills, and this further exposed them to higher risks associated with business failure.

2.2.4 Approaches to Credit

Broad Models of Micro-Credit Delivery

Many approaches have been used in micro-credit delivery. The three broad models of financing intermediation include Grameen Bank (solidarity group) model, individual approach model and co-operative group's model. These models of financial intermediation to the poor, with innovative designs being used by various formal financial institutions in many parts of the world are discussed below.

A. Grameen Bank (Solidarity Group) Model

This is the model that has been replicated with some modifications by certain organisations like Faulu-Kenya and K-Rep Bank. It involves the formation of self-selected groups of borrowers (usually between four and eight, although the Grameen Bank Model recommends five). The group takes on responsibilities for repayment of loans of group members. Members of a single group should have similar economic backgrounds. Membership to the bank is purely restricted to those with assets worth less than half an acre of land.

Each member must purchase a share in the bank worth one USD. (Herry et al., 2009). New members begin with savings of one USD per week per person and these savings remain compulsory throughout membership. Loans are made to two members at a time and be repaid in equal instalment over 50 weeks. Each time a loan is taken the borrower must pay five percent of the loan amount into a group fund.

Weekly and centre meetings are compulsory. All transactions are conducted openly at centre meetings (Herry et al., 2009). Through this model, the Grameen Bank has provided credit to over 2 million people in Bangladesh with a very low default rate (Masakure et al., 2008). In this model, the functions of screening, monitoring and enforcing of repayment are transferred from the bank agent to group members. It reduces recurrent lending transactions costs (Hussain, Maskooki & Gunasekaran, 2011).

B. Individual Approach Model

This approach makes loans and takes savings from individuals. Those programmes charge high interest rates but have relatively low transactional costs, in terms of borrower time commitments. The absence of peer pressure and joint liability arrangements by these organisations does not impair their loan recovery performance rather it permits the staff to focus their efforts on financial intermediation rather than on social intermediation. This model has been very successful in Indonesian institutions like Badan Kredit Kecamatan (BKK) and Kredit Usaha Rakyat Kecil (KURK). (Hussain, *et al*, 2011). These institutions provide the client with positive incentives to repay in terms of repeat loan eligibility based on repayment performance and case rebates. It also operates a set of disincentives to default, which includes collateral, intense bank staff supervision and a character reference on each borrower.

C. Co-operative Groups Model

Unlike the Grameen group lending model which seeks to be exclusive (only poor members), co-operative groups are, by co-operative principle, open membership. It is composed of a number of members (10-700) who contribute initial share capital, attend meetings, make regular savings and are expected to manage the society democratically.

A common feature of financial co-operatives is that members who wish to borrow must have two or more existing members of the organisation to guarantee the repayment of their loan. Borrowers are required to graduate from small to large loans. This reinforces credit discipline and ensures that an individual's access to large loans is dependent on good repayment record. To permit poorer households to gain membership into the co-operatives; a flexible procedure is used where prospective members are allowed to purchase shares in instalments over 12-24 months rather than with a one of payment.

2.2.5 Models of Financial Intermediation in Kenya

As seen in Figure 2:2, there are two broad approaches used in Kenya, namely, the Minimalist Approach and the Integrated Approach.

The minimalist approach has been further subdivided into two to include, the group-based model, where credit is provided with little or no training or technical assistance. Here, the organisation providing credit, decides whether to use the newly formed groups, existing groups (ROSCAs) or lend to the Community Based Groups (Community owned and managed enterprises)

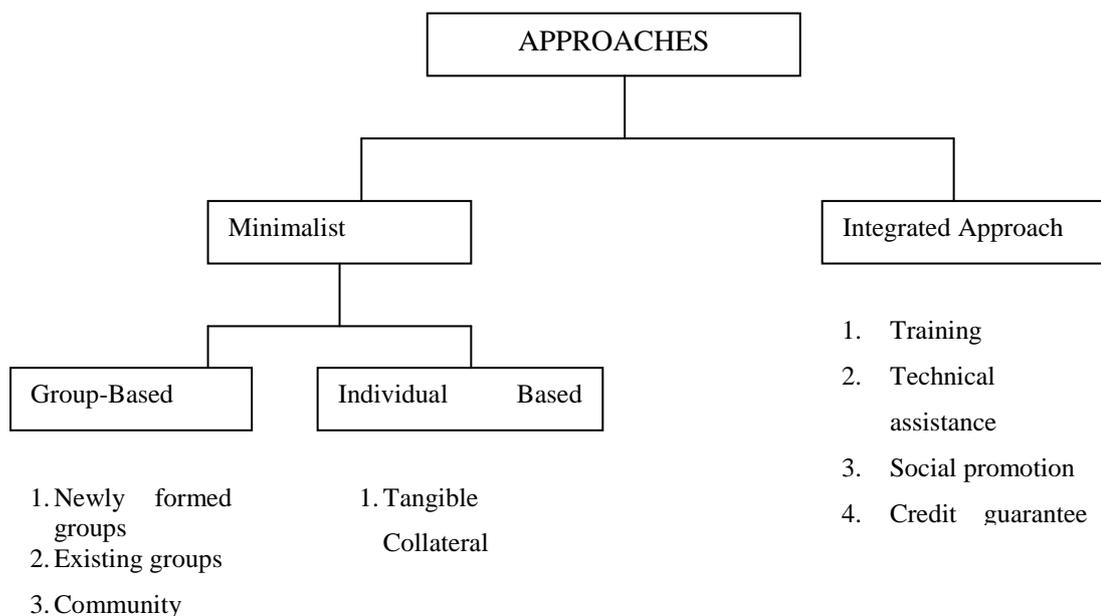


Figure 2. 2: Approaches Used in Kenya

Source: (Dondo, 1994)

In the individual based model, two types of models exist in Kenya: individual credit requiring tangible collateral and individual credit without requirement for tangible collateral (Rouf, 2012).

The former is restricted to those who can secure them with tangible collateral, are relatively cost effective as it minimises costs for specialised staff and does not involve cost preparation of feasibility and provision of training and technical assistance. It has been widely used by commercial banks. (Halkias, Chinedum, Harkiolakis & Caracatsanis, 2011).

The WEF (*Jiimarische loan*) and Co-operative Bank of Kenya- *Biashara Plus* Loan product use this model requiring tangible collateral to access credit to the entrepreneurs. In the latter, the collaterals are replaced with guarantors or chattel mortgages. This model has been applied in government programs, the Joint Loans Board Scheme, Rural Enterprise Fund and KIE informal sector projects. This model is relatively expensive and has limited prospects for achieving sustenance.

In the integrated model, training, technical assistance, social promotions as well as programs that address other pertinent social and economic issues are offered together with the credit. This model has got its own disadvantages, as a lot of time is required before the entrepreneur receives the loan. It is not ideal for entrepreneurs who are illiterate or are low-income earners as it is expensive because of the training and technical assistance involved. It does not reach many entrepreneurs especially women in rural areas (McDonald & Oates, 2006; Rouf, 2012; Pascal, 2012; Halkias, et al., 2011).

Implications of the Financing Models to the Study

The financing models discussed provide various categories of financing MSEs. Such businesses need access to funding for them to flourish on a sustainable basis. MSEs promote the development of an economy; however the financing models and their implications on the performance of businesses need to be given recognition that corresponds with the intensity of its contribution on the performance of the businesses. The financial and non-financial services provided by FIPs have greatly assisted MSEs through the use of a wide variety of models, they have helped to reduce the resource gaps for MSEs. The models have a huge potential of influencing the performance of MSEs hence the need to study them alongside the moderator variable, the Strategic Partnerships and the independent variables of the study.

2.3 Conceptual Framework

The study focused on the initial objectives of WEF Loan; these were objectives which were planned: poverty reduction and business growth and expansion.

The study determined all the objectives, both planned and unplanned. The study shall go deeper and establish whether the achieved objectives had positive or negative effects on the Performance of WO MSEs. The variables of the study are hereby discussed:

Entrepreneurial Orientation (EO)-The study explored the three core aspects of Entrepreneurial Orientation (innovation, Proactiveness and risk taking). The study laid emphasis on the role of the entrepreneur and the employees towards these three dimensions of Entrepreneurial Orientation and the contribution of entrepreneurship to the overall Performance of the WO MSEs (Irungu, 2008; Lumpkin & Dess, 1996; Nyambariga, 2012; Otieno, 2012; Njeru, 2013; Gathenya, 2012).

Entrepreneurial Group Dynamics (EGDs)-The study determined the key aspects of Entrepreneurial Group Dynamics in the WEF, namely, training, networking and leadership skills. Women can perform better when working in groups than working alone. (Robbins, Judge & Campbell, 2010; Lussier & Achua, 2007). The three (3) aspects of group dynamics were explored to establish their relationship with the Performance of WO MSEs. Group dynamics also provide for specific social benefits such as mutual self-help and the creation of social networks.

Legal Regulation Framework (LRF)-The government has a critical role of designing the rules and regulations of the society that allows enterprises and markets to thrive. It puts in place the relevant policies that facilitates and guides various economic transactions and undertakings. It refers to all measures and interventions undertaken by National and County governments' bodies which affect Business Performance including taxation, licensing and business related policies (GOK, 2012; GOK, 2013; Amarjit & Biger, 2012; Mwirigi, Mukulu & Karanja, 2011).

The WEF operates within a set Legal and Regulatory Framework and strategically partners with organisations that have to comply with the government policies (Kenya National Micro Finance Policy). All these government policies could have a major contribution on the Performance of the WO MSEs which this study will seek to establish.

Performance of Women MSEs-The variable was studied as a criterion variable (dependent variable). (Cooper & Schindler, 2009; Kumar, 2009; Kothari; 2009). The variable was measured, predicted and monitored and it is expected to be affected by the manipulation of the independent variables of the study, namely, Entrepreneurial Orientation, Entrepreneurial Group Dynamics, and Legal Regulatory Framework.

The key aspects of WO MSEs Performance that the study focused on are business sales levels and profitability over a period of 3 years prior to this study (Gathenya, 2011; Irungu, 2008; Otieno, 2012; Fatoki, 2011).

Strategic Partnerships (SP)-The Strategic Partnerships (SP) was studied as a moderating variable. This is a second independent variable that was included because it was believed to have a significant contributory or contingent effect on the originally stated independent and dependent variables relationship, (Cooper & Schindler, 2009; Kumar, 2009; Kothari, 2004). Its effect must be inferred from the effects of the independent variables and the outcome variable which is Performance of WO MSEs.

The WEF has partnered with various formal banks such as Family Bank, Cooperative Bank and Chase Bank, SACCOs and other MFIs (BIMAS) to help women entrepreneurs access Loans. The researcher used the following conceptual model to show the relationship between the Independent Variables (Cause Variables), to determine the influence of Entrepreneurial Orientation, Group Dynamics, Regulatory Frameworks, and Strategic Partnerships on the Performance of Women Owned Enterprises in Kenya.

The relationship between the independent variables, moderating variable and the dependent variable is shown in Figure 2:3

Independent Variables **Moderating Variable** **Dependent Variable**

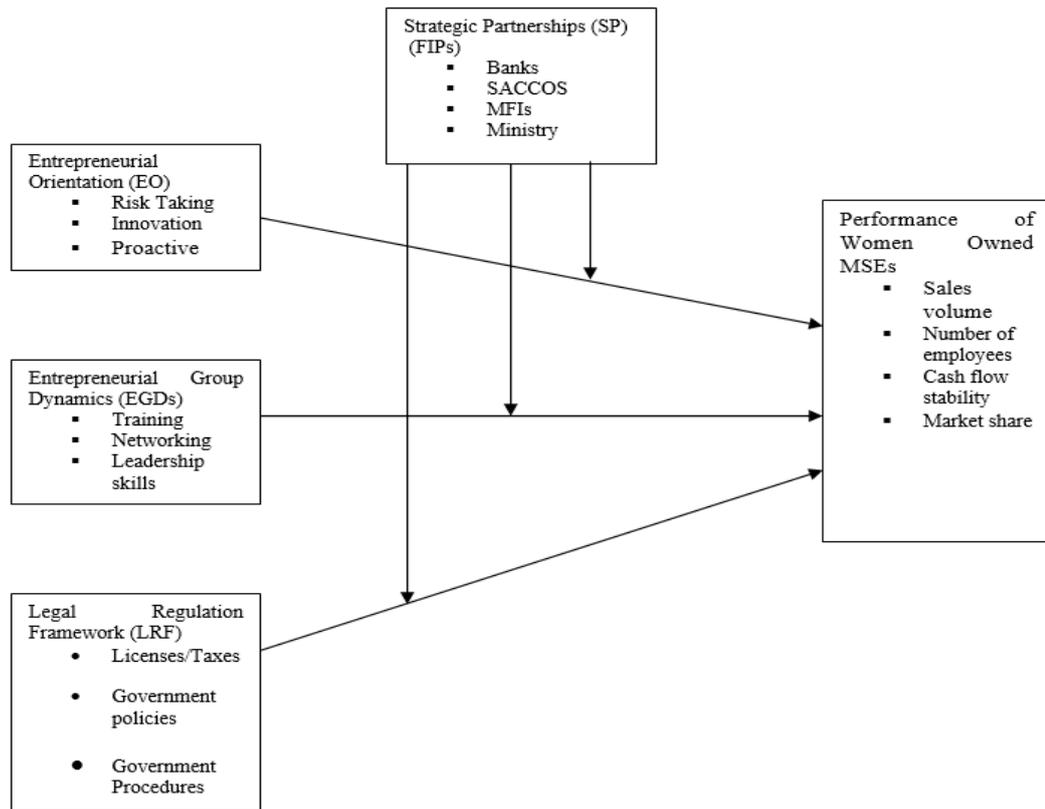


Figure 2. 3: Conceptual Framework

2.4 Empirical Review

2.4.1 Performance of Women Owned MSEs

Investor words (2011) as quoted by Fatoki (2011) defines performance as the results of activities of an organization or investment over a given period. The women entrepreneurs focus their attentions on the financial (objective) and non-financial measures (subjective). Financial measures include profits, revenues, returns on investment (ROI), and returns on sales and returns on equity, sales growth, and profitability growth.

Non-financial measures include overall performance of the firm relative to competitors, employment of additional employees, customer satisfaction, employee satisfaction, customer loyalty, brand awareness and owner's satisfaction with way the business is progressing. The combinations of these two measures (Financial and Non-financial) help the women entrepreneurs to gain a wider perspective on measuring and comparing their performance. Meilan (2010) agrees that this is a holistic approach and Balanced Scorecard approach to performance evaluation for SMEs.

Research conducted by various scholars (Watson, 2003; Marlow & Carter, 2004; Brush et al., 2006) illustrates that despite the rise in the number of WO MSEs, women owned enterprises tend to underperform in comparison to male owned enterprises in a variety of measures including revenue, profit as well as structural and organisational growth. Marlow and Carter (2004) strengthened the viewpoint that the general performance and growth of WOE's tends to be weaker than male owned in terms of turnover, profit realization and job creation, with WOE's often being younger, smaller and achieving a lower level of performance across direct, indirect and proxy measures. The suggestions given for this scenario is that they are concentrated commonly in retail and service sectors, where businesses tend to be smaller in terms of revenue and employment, compared to technology, construction and manufacturing. There have been various arguments that industry differences are a major contribution to underperformance faced by women, as they rarely engage in Strategic Partnerships and are often set up in sectors with lower rates of profit (Roomi & Harrison, 2008).

Women have been said to lack the economic power and the social and family support structures to grow their ventures. Brush et al. (2006) found that one of the important reasons for slow growth of WOE's was that they encountered social structures in work, family and social life that influences development of human and social capital, different from their male counterparts.

This lack of appropriate social capital to make meaningful exchanges within business networks limits their opportunities to raise growth capital and other resources that are crucial for the development and growth of business (Brush et al., 2006; Roomi &

Harrison, 2008). The women endowment in human, financial and social capital limits their access and utilization of needed resources for deliberate or ambitious growth resources.

Table 2. 1: Sectorial Distribution of Funding By Women Borrowers

Sector	Number of groups funded	Proportion
Trade	5,418	23%
Manufacturing	1,314	6%
Services	1,023	4%
Agriculture	15,048	65%
Others	320	1%
TOTAL	23,123	100%

Source: WEF 2013 (Eastern Region WEF Report)

A rapid assessment of the WEF (2009) by Rhino Consultants funded by UNIFEM revealed that WEF was one of the few financial services providers for genuine micro clients left in the market. The WEF documentation showed sensitivity to poverty and gender related obstacles for accessing loans. The study indicated that women had increased their income, displayed frugality as regards management of resources and is well experienced in the economic or monetary activities of their preference.

An appraisal for Women Enterprise Fund (2009) by FIDA revealed that women beneficiaries reported a surge in business, increased volumes and sales, employment creation and accelerated loan repayment. The proceeds from WEF loan assisted business projects has had a direct impact on the quality of healthcare sought by most group members either for themselves, or their families (Halkias et al., 2011).

The appraisal indicated a decrease in poverty as many homes were able to supplement their income with earnings from the WEF assisted businesses. It also noted that markets for agricultural produce and other commodities had expanded.

A baseline survey (2010) by the National Commission on Gender and Development (NCGD) revealed that the fund was reaching disadvantaged women and access to disadvantaged areas. It had targeted women who could not raise normal collateral required by formal financial institutions but were now able to access C-WES.

It was evident that after the loan, diversification of lines of business becomes more pronounced with poultry rearing retaining its popularity across the country in both the rural and urban areas. The baseline survey concurred with the FIDA study of 2009 on appraisal for WEF that some individual and group members reported an increased ability to purchase basic healthcare for their children without any financial reference to their spouses.

The 2010 baseline survey by NCGD reported that access to WEF loan and the consequent diversification into various agro-based activities and businesses, enhanced linkages with extension government officers in the Ministry of Agriculture on the ground that advice and help women on relevant activities had been established.

In a study conducted by Kenya School of Government (KSG) and Strathmore Business School (2012) on Micro, Small and Medium Enterprises growth and innovation revealed that there was a positive growth among Women Owned Enterprises at a level that could meaningfully sustain business on the growth path and spur innovation.

Positive growth among Women Owned Enterprises was noted as demonstrated by indicators such as business worth, turnover, gross profit and the number of employees. Adoption of innovation by WO MSEs was noted through introduction of new products and in most cases frequent innovations of the existing products. Adoption of innovation in terms of services, markets and sources of raw materials was found to have gained popularity among WO MSEs.

The study also established that ICT Skills, cost and location had negatively influenced the utilization of ICT services among women entrepreneurs. The study established that 67% of women entrepreneurs did not utilize ICT services because of inadequate ICT skills while another 26 % and 7% did not use ICT services because of cost and location related issues respectively.

Buzzard and Edgcomb (1992) identified specific indicators that can be used to determine the impact of the project. Profitability refers to the return the business owner receives on the money, management skills and risks he invests in a business. It is the difference between the costs of doing business and the amount earned. Profits in a business can be enhanced by raising prices, increasing sales or lowering costs. Improved management is the business owners increasing ability to plan ahead and to use basic business skills to increase his profit. Change in suppliers imply that the entrepreneur is able to purchase supplies in large quantities, from cheaper sources, or in better quality which may enable a business to increase its profitability or make it more sustainable by reducing dependence on a single source.

2.4.2 Entrepreneurial Orientation and Performance of WO MSEs

The literature review in this section will be guided by specific objective 1: To investigate the influence of EO on the Performance of WOE. EO is viewed as an entrepreneurial characteristic that makes the entrepreneur innovative and growth oriented.

The concept of EO was developed by Miller (1983) as quoted by Mahmood and Hanafi (2013), it refers to the processes, practices and decisions that tackle or accept the existing and forthcoming opportunities in a better way. The construct of EO consist of three dimensions, i.e. innovation, risk taking and proactivity, which are helpful and contributes towards the Business Performance and makes the entrepreneur satisfied with the overall performance (Covin & Slevin, 1989; Razzaq, 2013).

Innovativeness is the firm's ability and willingness to support creativity, new ideas and experimentation which may result in new products/services (Lumpkin & Dess,1996; Gathenya et al., 2011; Pearce & Robinson, 2009) while Proactiveness is

the pursuit of opportunities and competitive rivalry in anticipation of future demand to create changes and shape the business environment.(Lumpkin & Dess, 2001). Innovativeness has been noted as the only consistent theme in literature on entrepreneurship. It is a central component in an entrepreneurial strategy (Deakins & Freel, 2012). Lumpkin and Dess (1996) credited Joseph Schumpeter with “being amongst the first to emphasize the role of innovation in the entrepreneurial process”, in the form of a “process of creative destruction, by which wealth was created when existing market structures were disrupted by the introduction of new goods or services” reallocating resources from existing firms to new firms and growth. Joseph Schumpeter held that the “purest type of entrepreneur genus” is “the entrepreneur who confines himself most strictly to the characteristic entrepreneurial function, the carrying out of new combinations” or innovation. A broad approach posits that innovation can take three different forms; process innovation, item innovation (a product or service), or organizational innovation as an attribute (Kimberly 1981). Regardless of any form, innovation can also be incremental or radical.

According to Lumpkin and Dess (1996) innovativeness reflects a tendency for an enterprise “to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes”. Innovation is an important means of pursuing opportunities and so is an important component of an Entrepreneurial Orientation (Lumpkin & Dess, 1996).

In a business environment, Innovation can be classified into two (2) categories, namely: product market innovation and technological innovation (Lumpkin & Dess, 1996; Callaghan, 2009; Mwaura et al., 2015). Innovation represents a continuum ranging from willingness to try new innovations to a serious commitment to innovation.

Firms that are highly innovative grow, however researches have reported that an innovative strategy is essentially speculative, with returns unknowable in advance, innovators run the risk of wasted resources if investment does not yield the hoped for results. Innovations that become successful also risk imitation.

However alertness to and investment in new ways to create and capture value are key characteristics of businesses that pursue entrepreneurial strategy (Deakins & Freel, 2012; Callaghan, 2009). Drucker (2007), introduced the concept of Knowledge Based Innovation as the “super star” of entrepreneurship. Such innovations could be scientific, technical or social in nature. Knowledge Based Innovation require careful analysis of all the necessary factors and clear focus on the strategic position which entails developing systems, market focus and occupying the strategic position for effective Business Performance. Entrepreneurial firms have been found to be prone to embracing new ideas and using new methods (Deakins & Freel, 2012) and more willing to exchange ideas and adopt novel perspectives (Drucker, 2007).

They also lay emphasis on the need to explore and introduce breakthrough innovations (Mahmood & Hanafi, 2013). The ability to initiate change, take risks, and innovate that characterizes entrepreneurial firms enables them to pursue the development of products that are not only ahead of competition, but also ahead of the recognition of existing customers (Mahmood & Hanafi, 2013).

There are various perceived characteristics which determine an innovation's rate of adoption: Relative advantage; compatibility; complexity; trialability and observability to those people within the social system. These characteristics determine how fast the innovation spreads and are adopted by the entrepreneurs. According to Rogers (1995), there are five categories of adopters. The first category is called innovators. These are the risk-takers and pioneers who lead the way. They are able to adopt despite a high degree of uncertainty about the innovation at the time of adoption, and are willing to accept an occasional setback when a new idea proves unsuccessful. The second group is known as the early adopters. They climb aboard the train early and help spread the word about the innovation to others.

The third group is the early majority. They are persuaded to adopt by the innovators and early adopters, and may deliberate for some time before completely adopting the new idea. Their innovation-decision period is relatively longer than that of the innovators and early adopters. The fourth group is the late majority. They approach innovation cautiously and wait to make sure that adoption is in their best interests. As a result, they do not adopt until most others have done so. The fifth group is called the laggards.

These are the individuals who are highly skeptical and resist adopting until absolutely necessary (Hashim, 2008; Ndubisi & Kahraman, 2005). Rogers provided a framework that helps to understand why an innovation is adopted by some individuals and not by others. This theory can explain, predict, and account for factors that increase or impede the diffusion of innovations.

Proactiveness is related to anticipating and acting on future wants and needs in the market which would enable a firm to gain first mover advantage ahead of the competition. The characteristics of a proactive enterprise involves aggressive and unconventional tactics towards rival enterprises in the same market segment, such enterprises shape their environments by actively seeking and exploiting opportunities. Proactive firms introduce new products, technologies, administrative techniques to shape their environment and not react to it. Proactiveness is related to initiative and first-mover advantages and to “taking initiative by anticipating and pursuing new opportunities” (Lumpkin & Dess, 1996).

The Oxford dictionary defines Proactiveness as “acting in anticipation of future problems, needs, or changes”. Lumpkin and Dess (1996) argued that Proactiveness may be crucial to an Entrepreneurial Orientation because it suggests a forward-looking perspective that is accompanied by innovative” and entrepreneurial activity. Proactiveness relates to market opportunity in entrepreneurship by “seizing initiative and acting opportunistically in order to shape the environment, that is, to influence trends and, perhaps, even to create demand”.

The characteristics of a Proactive enterprise involve aggressiveness and unconventional tactics towards rival enterprises in the same market segment, such enterprises shape their environments by actively seeking and exploiting opportunities. Proactive firms introduce new products, technologies, administrative techniques to shape their environment and not react to it (Callaghan, 2009; Mwaura et al., 2015).

Risk taking relates to a business readiness to pursue opportunities despite uncertainty around the eventual success (Deakins & Freel, 2012). It entails acting boldly without knowing the consequences. On risk taking, it is the firm knowingly devoting the resources to projects with chances of high returns but may also entail a possibility of higher failure (Mahmoud & Hanafi, 2013). The psychological theories of locus of control and need for achievement which entail a moderate level of risk taking propensity (Deakins & Freel, 2012; Callaghan, 2009), have also been associated with higher performance by individuals. This might predict that a moderate level of risk taking propensity would be associated with higher levels of performance.

However, in terms of different contexts, the effects of the dimensions of Entrepreneurial Orientation, including risk taking propensity, were expected to differ in terms of their effect on performance according to the specific context. Lumpkin and Dess (1996) identified three (3) types of risks that businesses face in pursuing entrepreneurial activities; Business Risks associated with entering new markets or supporting unproven technologies; Financial Risks relating to the financial exposure required and the risk/return profile of the new venture.

It may include borrowing heavily or committing large proportions of their resources; and Personal Risks referring to the reputation effects of success or failure in the business. Success to the business entails giving the entrepreneur considerable influence over the future direction of the firm and failure can have the opposite effects. Risk taking is commonly associated with entrepreneurial behaviour and the general successful entrepreneurs are risk takers (Kuratko & Hodgettes, 2009). Drucker argued that entrepreneurs are not typically risk seekers rather like any other rational individuals, they take steps to minimize risks, and this may involve developing strategies that entail a higher tolerance for risk, but the calculation of

risks. Risk taking Propensity is commonly associated with entrepreneurial behaviour and the general successful entrepreneurs are risk takers (Kuratko & Hodgettes, 2009). The three (3) dimensions miller, (Gathenya et al., 2011) argues they comprise a basic undimensional strategic orientation. Positive relationship between Entrepreneurial Orientation and performance have been noted by a number of researchers (Covin & Slevin, 1991; Lumpkin & Dess, 1996; Wiklund, 1999; Kriesar, Marino and Weaver, 2002; Kraus et al., 2005; Al Swidi & Mahmood, 2011; Mahmood & Hanafi, 2013).

A study by Nwugballa, Elom and Onyeizugbe (2016) to evaluate the relevance of the dimensions of Entrepreneurial Orientation to the Performance of Micro, Small and Medium Enterprises (MSMEs) in Ebonyi State, Nigeria found a positive relationship between Entrepreneurial Orientation and Firm Performance. However, some studies have called such results to question; especially when the dimensions are assessed individually. There is a general lack of consensus on the relationship between Entrepreneurial Orientation and Firms' Performance. Depending on the firm's condition and age, Entrepreneurial Orientation dimensions might lead to favourable outcomes on one performance dimension and unfavourable outcome on another. This study examined the relationship between firm performance and the five dimensions of entrepreneurial orientation (innovativeness, proactiveness, risk-taking, competitive Aggressiveness and autonomy) as a multidimensional construct. In other words, the relationship between Individual dimensions and the adopted performance measures were evaluated.

(Nwugballa et al., 2016; Gathenya et al., 2011). The study found that three dimensions of Entrepreneurial Orientation namely; innovativeness, proactiveness and competitive aggressiveness were relevant to, at least, one measure MSMEs performance in Ebonyi State. Innovativeness and proactiveness had significant correlation with customer performance, while competitive aggressiveness had significant relationship with both product and customer performance. Risk-taking and autonomy had no significant correlation with any of the performance measures, suggesting they were not relevant to MSMEs in the State. The study also provided evidence for the non-universality of the dimensions of entrepreneurial orientation and support for the five-dimensional model of studying Entrepreneurial Orientation.

Entrepreneurial firms tend to maintain a continuous environmental scanning posture (Al Swidi & Mahmood, 2011; Zahra & Covin, 1995;) that enable them to be more attuned to changes and trends in the business environment and to act in advance of change in an attempt to better serve customers and markets (Njeru 2013; Gathenya et al., 2011). Market related capabilities are inherently inimitable due to their tacit and embedded nature (Otieno 2012; Njeru 2013). A firm that reinforces its presence and business relationships in current markets attempts to innovate by anticipating changes in the marketplace and proactively implementing initiatives to change its competitive landscape (Zimmerman & Brouthers, 2012). Thus, entrepreneurial orientation can act as a basis for the development of market-related exploitative capabilities. Businesses may benefit from adopting an EO due to the fact that such firms innovate frequently while taking risks in their product-market strategies (Gathenya et al., 2011). Efforts to anticipate demand and aggressively position new product/service offerings often result in strong performance (Al Swidi & Mahmood, 2011). Thus, conceptual arguments suggest that EO leads to higher performance.

EO is also connected to better export performance (Ibeh, 2003; Mahmood & Hanafi, 2013) and success in terms of firm size and economic growth (Tang et al., 2007) studies have found positive effect of EO on growth of small firms (Gurbuz & Aykol, 2009) and profitability of non-state firms in China. Previous studies reported a positive and significant relationship between EO and firm performance; (Al Swidi & Mahmood, 2011; Zahra & Covin, 1995; Frese, Fredrick & Unger, 2005) found that EO is a variable predictor for business. EO firms tend to be more willing to take risk and appear to be more innovative and proactive that tends to increase performance (Ahl, 2006; Zimmerman & Brouthers, 2012; Nyambariga, 2012; Otieno 2012; Njeru 2013; Gathenya et al., 2011).

Women need to increase their level of EO in order to survive the dynamic, fast faced and complex business environment which is characterized by short life cycles, globalization and continuous improvement in technology. EO is considered as a mechanism for survival and success of WO MSEs.

2.4.3 Entrepreneurial Group Dynamics (EGDs) and Performance of WO MSEs

The literature review in this section will be guided by specific objective 2: To investigate the influence of EGDs on the Performance of WOEs. Group dynamics provide for specific economic and social benefits such as mutual self-help, the creation of social networks and effective Business Performance. According to (K'Aolgh, 2008) the purpose of micro lending is to provide an alternative source of credit for micro entrepreneurs who are unable to obtain loans from the mainstream financial market. This might be the reason behind the formation of social support groups, which do not only enhance social tie but also aid in problem solving and increase the likelihood of positive outcome. The literature highlights that individual and groups can achieve more by making connection with others, as compared to working alone. (Cope et al., 2007; Robbins, Judge & Campbell, 2010; Roomi, 2009). Robbins et al. (2010) on the strengths of group decision making, found out that groups generate more complex information and knowledge. By aggregating resources of several individuals, groups bring more inputs into the decision making process. They also bring heterogeneity into the decision making process by increasing diversity of views. Women groups lead to increased acceptance of a solution. Research has shown that many decisions fail after the final decision is made because people don't accept the solution. Women in groups who participate in making decisions are likely to enthusiastically support the decision and encourage others to accept it (Robbins et al., 2010).

The importance of social capital, that is, the use of networks and interpersonal relationships by business owners in order to generate informal assistance to develop and grow their businesses has been recognized. Researchers such as Bennet and Richardson (2005) have mentioned the importance of networking and developing relationships and explained how these are critical for business success. Women entrepreneurs gain a lot of visibility, information, influence cooperation because of strong social capital, they progress in their opportunity recognition process with lot of encouragement and support from friends or family members (Nthuni, 2014; Ferri, Deakins & Whittam, 2009).

A study by (Musimba, 2012) on the role of human and social capital in internationalization of ICT SMEs in Kenya as quoted by Nthuni (2014) concluded that the survival and performance of a firm are influenced by a firm's ability to utilize the social capital to the fullest.

A report on the objectives of the United Nations Decade for the Eradication of Poverty (1997-2006), the micro-credit institutions have adopted innovative ways of providing credit and saving services to the women entrepreneurs. Among these ways is the provision of small loans especially in the rural areas at full cost interest rates, without collateral, that are repayable in frequent instalments (Maragia, 2008).

This is achieved by organizing women borrowers into groups, which reduces the risk of default. At group level the micro- finance organizations are able to disseminate valuable information and training on entrepreneurial skill (Gakure & Kyalo, 2011). Above all, the micro credit programs have targeted one of the most vulnerable groups in the society, the rural women entrepreneurs (Kuratko & Hodgetts, 2010; Kanka, 2012).

A report on the role of micro credit (Bitange, 2006), states that solidarity groups enable MFIs success in terms of sustainable lending following group based approaches: The delivery of services near their clients and in the largest catchments area possible; using of lending technologies that are simple, well-tailored to the cultural environment and inexpensive for both lender and client.

A positive contribution that group based lending methodologies make to Women entrepreneurs is the opportunity for women to gain experience in making decisions and leading and influencing others (GOK, 2009; Akoten, Sawada & Otsuka, 2006). Participation in a self-help group fosters women's self-confidence and encourages them to exercise greater decision-making within the household and in their enterprises. In Tunisia it was noted that participation in the micro credit programmes constituted an apprenticeship of democracy through the self-managed solidarity groups which elect their president and treasurer. This would be considered a very major development in mixed group where a woman is elected as president of a group in a still male dominated society.

Group formation has been found to assist women entrepreneurs to formulate opinions that can be expressed, it is a means for women entrepreneur to know and be known by other women entrepreneurs (Kiunga, 2009; Nteere, 2012; Allen, 2010; Ferri et al., 2009).

It was found to be an important forum for learning leadership and public speaking skills and a basis for development of trust, friendship and financial assistance. The groups give women an opportunity to develop and use skills in group dynamics and persuasion to exercise authority and to command the respect of others, some for the first time in their lives. Every group that is formed and registered has its own internal policy. Such groups that set policies to rotate their leadership frequently give more women a chance to develop entrepreneurial leadership skills than ones that do not, although groups without a rotation policy also gives women leaders an opportunity to become stronger and acquire more lasting leadership skills.

Bambale (2014) contends that women group cohesiveness is the relative property of group that determines the extent to which group members remain coherent with each other. The highly cohesive groups reflect high attraction of members for each other, friendliness, cooperation, mutual liking, and positive feelings about each other (Haider et al., 2015; Bambale, 2014; Robbins et al., 2010). Members of such groups place high value for each other and intend to remain with the group in the long run. The women leaders of cohesive groups inculcate positive and strong feeling among the members and hence the members of these groups are more likely to assist each other for accomplishing business tasks (Bambale, 2014; Akoten et al., 2006). The members of such groups are more willing to put extra efforts for accomplishing tasks assigned to them by the leaders. Business decisions are often made by groups as the members bring together a range of skills, experiences and outlook (Drummond, 2009; Mullins, 2010). While the role of groups has been applauded by researchers in businesses, currently scholars have argued that there is a danger of groups promoting groupthink. This is a phenomenon that describes situations in which group pressures for conformity deter the entrepreneurs group from critically appraising the view and opinions of others. Groupthink promotes deterioration of mental efficiency, reality testing and moral judgment that results from in-group pressures (Mullins, 2010; Drummond, 2009). This can dramatically affect the decision making process and

eventually affect the performance of WOE. On the weaknesses of group decision making, Robbins et al 2010 found out that despite the plusses not in groups, decisions have their drawbacks. They are time consuming as they take time to reach a solution than would be the case if individual were making the decision. The desire by women groups to be accepted and considered an asset to the group can result in squashing any averts disagreement. Women group activities can be dominated by one or a few members hence making the groups overall effectiveness to suffer. Women groups have a danger of suffering from ambiguous responsibility since in an individual decision, its clear who is accountable for the final outcome, but in group decision, the responsibility of any single members is watered down. (Mullins, 2010; Drummond, 2009; Robbins et al., 2010).

The self-help groups and other savings based community groups offer women entrepreneurs the opportunity to have pride of ownership and autonomy. Majority of them are given training and support from the government and NGOs, some still rely primarily on member savings for their capital instead of an external capital as seen in most village banks or solidarity groups.

Goldstein-Gelb (2008) states that the group model used by MFIs encourages the entrepreneurs to advertise, promote and patronize from one another; -throughout this process, the program staff act in advisory capacity guiding groups along and instructing them into consensus decisions making, conflict resolution, as well as how to run effective meetings. This approach is considered to promote and encourage cohesiveness among the group members and growth of Woes. According to Berger (1995), Groups are self-forming meaning borrowers select their own members and leaders. Additionally, the creation of locally based groups helps organizational staff to learn about local business conditions.

In women groups there are benefits that accrue such as significant economies of scale, it's a cost effective system for development assistance as clients in the groups facilitates the delivery of inputs, training, credit and other services. Women groups allow for collective learning as individual members have talents and skills which other group members can learn from others. Groups promote democracy as members of the group learn to discuss and solve problems together. They elect their own

leaders and hold them accountable. These principles are transferred to the community, family and the business set up. In a study carried out in Australia on barriers facing self-employed women, (Leonier & Guerin, 1991; Ahmed, 2011; Rashid, 2009) personal barriers which included sense of isolation, educational background, and lack of mentors, tutors or counsellors and need for support of other businesses (suppliers) were major challenges affecting the performance and success of WOE's.

The importance of Entrepreneurial training as a tool for MSEs Growth has been recognized worldwide. Many studies have revealed that training contributes significantly in the growth of enterprises (Kessy & Temu, 2010). Edgcomb (2002) established that training has significant impact on participant characteristics and final participant outcomes. Training adds to the skills of MSEs Owners, facilitates a change in their behaviours on how they perceive and conduct their business activities and in turn enhance their ability to perform better: the MSEs can gain important edges even under stiff environment.

Through training, the entrepreneurs can acquire networks, transfer technology, develop commercial entities and acquire new and better management techniques. This is because business training is mainly geared towards building entrepreneurial skills and traits of the recipients in order to better their business practices (Roomi, 2009; Kessy & Temu, 2010).

A study carried out by Kessy and Temu (2010), revealed that there was a significant difference between the growth indicators of enterprises owned by women who had received training against those women who had never received business training. The assets, average revenue and number of employees were higher for the MSEs owned by women with business training compared to the assets, average revenue and number of employees of those enterprises owned by women without business training (Kessy & Temu, 2010).

Training contributes a lot to managerial skills, technical abilities and techniques needed to undertake risk. Trained women entrepreneurs have a broad perception of risk and innovation. Their analytical power is enhanced and they are better prepared

for the challenges ahead (Maragia, 2008). Bwisa (2011) viewed training as a supply of specific skills, knowledge or attitudes required to meet a certain purpose. Skills obtained in training become an asset that can help to overcome uncertainty in decision making and open new avenues for opportunities .It is from this argument different authors established that Entrepreneurial training has significant impact on women characteristics and final outcome .

A study by Yan Man, 2012 revealed that training has been found to assist women entrepreneurs to carry out the entrepreneurial tasks successfully, entrepreneurs have to draw upon their learned skills, knowledge acquired, and the attributes they have developed. Such knowledge, skills, and attributes may also be drawn from others instead of from their own direct learning outcomes through studying, observation, or interaction with others. The role of learning behaviors in this process was mainly applying and transferring what they have acquired previously in their actions ,for example, managing their business more properly, changing their strategic direction, or developing new opportunities through innovations in products or services. The way women process, internalize and remember new and difficult materials depend on different learning styles of individuals. Examples of learning styles include; reading (verbal or use of speech), listening or aural, watching or visual, logic which has to do with reasoning and use of cognitive perspectives, social which entail learning in groups or working with others (participating) and solitary here participants prefer learning alone and through self-study. (Robbins, Judge & Campbell, 2010; Roomi, 2009).Any organized training will be considered effective when it is individualized to reflect the learning styles of each participant of the training. Such learning styles are obviously not mutually exclusive.

Good facilitators recognize that participants learn differently and therefore provide multiple methods to deliver the training content (Gakure & Kyalo, 2011).Effective trainers will assign readings before class, give lectures ,use visual aids to illustrate concepts and have participants participate in group projects ,case studies, simulations, role play and experiential learning exercises. If trainers understand the preferred training style, they may design training programme to take advantage of this preference. Over reliance on a learning style places participants who don't learn well from that style at a disadvantage. (Robbins, Judge & Campbell, 2010).

Entrepreneurial learning is also an interactive process between the entrepreneurs and their operating contexts through various social relationships inside and outside their organizations, Down, 1999 as quoted by Yan Man, 2012, these relationships help to provide complementary knowledge and skills to the entrepreneurs, mentorship support, communication and task accomplishment and co-participation in decision-making.

Any trainer designing an entrepreneurship training programme needs to take into consideration the importance of measuring its effectiveness. This saves a lot on the spend time or money on training that doesn't provide a good return. Kirkpatrick's Four-Level Training Evaluation Model can help a trainer to objectively analyze the effectiveness and impact of the training, so that one can improve it in the future. The four levels are: Reaction, Learning, Behaviour and Results. The *Reaction Level* measures how the trainees (the people being trained), reacted to the training in terms of whether the training was a valuable experience, their feeling about the instructor, the topic, the material, its presentation, and the venue. The *Learning Level*, measures what the trainees learned. It addresses the question of how much of their knowledge increased as a result of the training. The key focus is the list of specific learning objectives in terms of changes to knowledge, skills, or attitude. At the *Behaviour Level*, the trainer evaluates how far the trainees have changed their behaviour, based on the training they received. Specifically, this looks at how trainees apply the information. It's important to realize that behaviour can only change if conditions are favourable. At the *Results Level*, the trainer analyses the final results of the entrepreneurship training. This includes outcomes that the trainer or the organization have determined to be good for business, good for the employees, or good for the bottom line. Some outcomes to consider, depending on the objectives of the entrepreneurship training include: Increased employee retention; Increased production; Higher morale; Reduced waste; Increased sales; Higher quality ratings; Increased customer satisfaction and Fewer staff complaints.

The WEF considers entrepreneurial training as an important component of providing funds to women. It was noted that business training can go a long way in benefiting poor women entrepreneurs when training is carefully designed to complement their existing skills and knowledge and address their most pressing needs. In a study

carried out in Ghana Trust bank program of Sinapi Aba Trust in 2002, most of the women interviewed commented that their ability to plan, calculate and project profits, and manage money had improved considerably as a result of the training they had received from their orientation and trust meetings (VEF, 2008; Cheston & Kuhn 2006; Hashim, 2008). They further stated that training on customer care helped them sell their goods faster, retain customers and work less. These had further assisted the women to remain in credit programs longer and presumably enjoying benefits from their participation. However, women's general education and literacy are important if they are to reach their full potential and become empowered. Illiteracy among women owning businesses creates a major stumbling block to the women entrepreneurs (Nthuni, 2014). MFIs offering integrated model of leading had to make sure there's at least one literate member in every group or one member in the group had a literate child who would assist the women in the group. Many MFIs used the participatory training techniques that do not require literacy to educate the clients. But very few are able to offer literacy training as it was relatively expensive and time consuming for the staff and the clients.

An NGO in Nepal had development a home grown, low cost and innovative model of addressing the issue of women illiteracy by using existing lending groups and providing materials for women to train themselves. These initiatives have shown that literacy and education contribute powerfully to empower and complement the financial independence that microfinance provides. According to Hashim (2008), for women entrepreneurs, lack of access to entrepreneurial training, advisory services and improper learning approaches and methods are the main reasons often used to explain underperformance, (Brown et al., 2002; Brush & Hirsch, 1999). Heibrum (2004) also points out that, most of WO MSEs, show slow or no growth due to lack of business and managerial skills.

Acquaah (2008) as quoted by Fatoki, (2011) agree that the effect of social capital on business activities and performance is complex and evidence exists to suggest that social capital does not always benefit the outcomes of business activities by enhancing performance and that not all measures of social capital enhance firm Business Performance.

2.4.4 Legal Regulatory Framework and Performance of WO MSEs

The literature review in this section will be guided by the study objective 3: To establish the influence of LRF on the Performance of WOE's. An appropriate legal regulatory environment is one of the most important elements in any economic growth strategy which is essential for robust private sector development (Oludele & Kinfaek, 2012). Regulation of business activity is a key issue confronting national governments and policy makers (OECD, 2000; Atherton et al., 2008). Regulations refer to a diverse set of instruments by which governments set requirements on enterprises and citizens.

This refers to all measures and interventions undertaken by the National and County government bodies which affect Business Performance including taxation, licensing and business related policies. The impact of government regulations on business is an important policy concern for economies worldwide (European Commission, 2010; World Bank, 2002; Djankov et al., 2002). It's generally believed that regulation is necessary to provide suitable trading conditions and to develop levels of business trust which can benefit the MSEs, development, (Atherton et al., 2008; Walter & Smallbone, 2006).

However, experts in business believe that the nature of the regulation burden may affect the MSE competitiveness and productivity. The opponents of the regulation argue that it restricts business start-up, impedes successful performance and growth and contributes to business failure, (Amarjit & Biger, 2012; Mwirigi, Mukulu & Karanja, 2011).

The problem of regulation for business owners involves the diversion of scarce resources away from productive, profit generating activities and towards the discovery, understanding of and compliance with regulations. Regulations have an impact on market signals, reduces the rewards of business ownership, disincentives, market entry, innovation and business growth, all of which leads to a sub optimal level of economic activity from which business, workers and consumers suffer. Though regulations may not constitute much of a problem, their cumulative effect is highly problematic for small firm's owners, (Harris, 2002; Edward et al., 2003).

MSEs are less resilient to regulatory shocks, miscalculations and uncertainties; they lack regulation specialists, large costs of administration of taxes as well as regulatory burdens. They need the assistance of the government to comply with the regulations. Many MSEs around the world have little knowledge about the regulations applicable to their economic sectors and which agencies are responsible for regulating them.

The complexities of legislations may further confuse matters and deter businesses from fully grasping their implications (Stuart, 2002; Odd-Helge *et al*, 2006), regulation enforcement rigid, inconsistent and there is not enough inspection by regulators and high cases of corruption. Jones and Tilley (2003) and Simpson and Docherty (2004) as quoted by Boysana and Ladzani (2011) stated that small businesses in South Africa do not operate properly because their owners lack information about the registration of their businesses. This information, they felt should be provided by the government.

2.4.5 Strategic Partnerships and Performance of WO MSEs

The literature review in this section will be guided by research objective 4 in the study:

To determine how the SPs moderates on the relationship between EGDs, LRF, EO and Performance of WOE. The term “Strategic Partnership” describes a range of possible relationships among public and private entities in the context of infrastructure and other services.

The United States National Council for Public-Private Partnerships (2000) defined Strategic Partnership as a relationship between two or more commercial enterprises that involves building mutual long-term goals and commitments. It is a PPP model (McLennan & Troutbeck, 2002) and a close collaborative relationship between two or more firms with the intent of accomplishing mutually compatible goals that would be difficult for each to accomplish alone (Allen 2012; Pearce & Robinson, 2009).

The impact of the global economy is currently being felt in almost all the sectors of the economy. There is an emerging set of social, economic and political issues influencing business performance which calls for the need for flexibility,

adaptability, renewal emphasis on leadership, people based approaches and learning. The business environment has changed drastically that there is need to fundamentally change the way relationships between the customers and suppliers are managed both internally and externally. It has been noted that businesses with similar goals are seeking to manage relationships strategically to achieve more than can be achieved by each business entity. There is a complete change in the way organisations are structuring. There is a new organisation that is not based on any hierarchy but on a flexible collaborative networks. Some of the attributes of these partnerships include flexibility, responsiveness, autonomy, interlinking horizontal communication, consensus decision making and leverage. (Kuratko, 2009; Bwisa, 2011, McLennan & Troutbeck, 2002). Power in this case is regarded as an attribute of value adding capability rather than of position within the hierarchy.

As a modern business strategy, it will prove effective in these times of complexity, network organisations and social systems change (McLennan & Troutbeck, 2002). Strategic Partnership is a long-term, win-win commitment between two organizations; the key principle is that of achieving quantifiable and measurable outcomes and benefits. Their sole purpose is achieving specific business objectives by maximizing the effectiveness of each participant's resources.

For Strategic Partnership to work there should be trust, mutual benefits, cooperation, commitment and analysis of risks between the parties involved. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public(Kuratko, 2009; Allen, 2009)In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility. (Kuratko, 2009; Allen, 2009; Bwisa, 2011). Strategic Partnerships present a framework that while engaging the private sector it acknowledge and structure the role for government in ensuring that social obligations are met and successful sector reforms and public investments achieved. Private Sector brings into the partnership various strengths (www.ncppp.org);Namely;Newer Technologies, Workplace Efficiencies.

Cash Flow Management, Personnel Development, Shared Resources (Money) and Management Efficiency. Effective Business Performance can best be achieved when government collaborates with a range of other actors; private sector, civil society, independent experts, communities, and families. Public Private Partnerships entail the pooling of resources, competencies, and capacities from the public and private sector to achieve outcomes that add value beyond what either party could achieve acting alone. The approach builds on the idea that different sectors in society; public, private, civil society have different yet potentially complementary core competencies and resources that, if appropriately joined, produce a positive sum to advance public and private goods. (McLennan & Troutbeck, 2002; Allen, 2009)

Social science researchers have concluded that there are three essential elements to effective partnership: vision, intimacy and impact. Vision refers to the goals and structure: identifying collective objectives, agreeing on targets, clarifying roles and responsibilities of each partner, acknowledging core competencies, and developing strategies. Intimacy refers to the fact that successful partnerships depend upon trust and open communication, the presence of champions of partnership within each organization, transparency regarding risks and challenges, inclusiveness, sharing of best practices, and mutual accountability. Impact signifies the importance of being results-oriented.

Partners might use existing frameworks (international and national) as a base; give attention to ensuring inclusion of key local issues and indicators. The question on whether partnerships are good or bad has been an issue of concern by Scholars and researchers. There are critical voices concerning the new partnership approach. Above all the risk of an overwhelming influence of private business in particular, the potential decision - making power private actors could gain on certain priorities and its financial commitments are widely criticized. Public private partnership could be a device for government to keep oppositions out. It works by allowing the government to spend more on political sensitive issues and in politically sensitive places without startling the electorate with higher taxes or new debt. Public private partnership is not just an expensive accounting trick.

True believers in public private partnership do not really make their case around the government's ability to spend without taxing or borrowing. They claim that public private partnership allows public services to be delivered quicker, cheaper and better. The counter claim is that they are no quicker, no better and only cheaper because they shift employment from reasonably paid public sector jobs to poorly paid private sector jobs (GOK, 2013, Allen, 2009; Bwisa, 2011; Allen, 2009).

Strategic Partnership as a model of Public Private Partnership (PPP) is a complex mix of human behaviour and organization functioning. People and communication form the basis of this relationship. People come to the relationship with a vast spread of attitudes, mind-sets, personalities, ambitions, motivation, skills capabilities and needs. Fortunately, the emerging social systems are structured in a more egalitarian fashion, and are underpinned by consensual processes (McLennan & Troutbeck, 2002).

The interaction in a partnership is ideally based on two (2) domains: the rational and the non-rational domain. (Kuratko, 2009; Allen, 2009). The rational or the organizational part assists in the development of strategy, structures, systems, processes, procedures, policies and standards. The non-rational (human system) part comprise of relationships, identity, information, culture, beliefs, courage, faith and trust. Effective Strategic Partnership can only be achieved when the human systems are as well developed as the organizational systems. Understanding the human elements is the heart of effective relationship management and development of Strategic Partnership, without an effective human system, partnerships will not be strategic or long lasting. Most organizations have ignored the non-rational domain because it is unpredictable and uncontrollable and this has eventually affected the performance of MSEs.

The WEF has strategically partnered with various financial institutions that were selected on the basis of criteria that have little overlap with the overall thrust of the fund. These partners include banks, non-banking financial institutions, NGOs, and cooperatives; some are small, others are big, and others working exclusively in urban settings and others in rural areas. The public sector has its strengths; Legal Authority, Protection of Procurement Policies, Broad prospective/balance the competing goals

to meet public needs, Personnel dedicated but constrained by financial resources. The Secret of a Successful Strategic Partnership is to be able to Balance the Strengths of both Sectors, i.e. private and public.

In a bid to achieve its mandate, the WEF started by availing funds to the targeted women entrepreneurs through two main operational channels, namely the Ministry of Gender, Children's and Social Development, Currently Ministry of Devolution and Planning (The Ministry Channel) and The Micro Finance Institutions (MFIs) channels. Currently the funds are availed to women entrepreneurs through two channels :C-WES (*Tuinuke Loan*) and Financial Intermediary Partners (FIPs) also known as *Jimmarishe Loan* which has various features, i.e. leading to individual women, self-help groups or companies owned by women at an affordable rate of interest of 8% per annum on reducing balance.

A study on assessment of the opportunity component of Entrepreneurship Policy in the Youth, Women, and Uwezo Funds in Kenya (Waruguru, Bwisa & Kihoro, 2017) revealed that in the WEF, 100% of the respondents reported that the fund was partnering with other organizations in business incubation. A case in example was a partnership with Jomo Kenyatta University of Agriculture and Technology for capacity building in business incubation. The partnership tenure was reported to be of five years starting February 2016. According to the respondents, the partnership entailed taking the beneficiaries through training in various areas such as yoghurt making, baking, mushroom farming, tissue culture banana farming among others. The beneficiaries were then assisted all the way through the process of registering a business, getting the various certifications such as KEBs, and putting the products into the market. The fund is reported to finance the beneficiaries throughout this process. (Waruguru *et al.*, 2017). The WEF has also partnered with various formal banks (Family Bank, Cooperative Bank, Chase Bank), SACCOs and other MFIs (BIMAS) to help women entrepreneurs access WEF Loan. (WEF Report, 2013).The MFIs have targeted the Small and Medium women entrepreneurs, consumer loans, collecting savings and deposits from the general public, advanced front office operations (e-banking, ATMs) often in relation to current account management, money transfers, micro insurance, etc. (Waruguru *et al.*, 2017).

The ministry's CWEFC works on a day to day basis with women groups (Micro entrepreneurs) who are considered un-bankable, through the fund they eventually graduate into the formal sectors.

The WEF as an organisation has formed Strategic Partnership with other organisations: namely: Export Promotion Council (EPC) –which enhances women access to international markets, trained 132 women entrepreneurs on export trade, 108 women have been profiled and assessed on export readiness and 20 facilitated to attend international trade fairs in Dares Salaam. Kenya Bureau of Standards (KEBS) facilitated certification of products and 748 women had been sensitized on the KEBS processes. Jomo Kenyatta University of Agriculture and Technology (JKUAT) had trained 457 women on incubating business ideas. International Labour Organisation (ILO) and UN Women was involved in the strengthening institutional capacity development and capacity building of women especially on how to access public procurement and Social Impact Institute (SII) which trained women on accessing public procurement. The Ministry of Cooperatives Development and Marketing (MOCDandM) was involved in sensitizing women entrepreneurs on formation of SACCOs and registered eight (8) women owned SACCOs.

Effective partnerships recognize that the public and the private sectors each have certain advantages, relative to the other, in performing specific tasks. The government's contribution to a partnership may take the form of capital for investment (available through tax revenue), a transfer of assets, or other commitments or in-kind contributions that support the partnership. The government also provides social responsibility, environmental awareness, local knowledge, and an ability to mobilize political support (Hussien, 2012). The private sector's role in the partnership is to make use of its expertise in commerce, management, operations, and innovation to run the business efficiently. The private partner may also contribute investment capital depending on the form of contract.

The structure of the partnership should be designed to allocate risks to the partners who are best able to manage those risks and thus minimize costs while improving performance. Strategic Partnerships work in an environment where the partners are allowed to excel in their core business. Implementing a specific Strategic Partnership

transaction often forces concrete reform steps to support the new allocation of sector roles such as the passage of laws and establishment of separate regulatory bodies. In essence, re-examination of the regulatory and policy arrangements is critical to the success of a Strategic Partnership project.

An enabling legal, regulatory and policy environment are critical to a sustainable SP. Helms and Reille (2004) argued that a legal environment that can support private sector involvement in critical services is needed. The legal environment has to minimize the like hood of corruption and must be sufficiently reliable as to encourage private participation and investment. There are three (3) kinds of costs that a lending institution incurs when it provides a loan (Puhazhendi 1995; Shankar,2007): the cost of the money that it lends; the cost of prudent financial practices such as provisioning for loan defaults; and the cost of transaction, which includes the costs of identifying and screening the client processing the loan application, completing the documentation, disbursing the loan, collecting repayments and following up on non-Payment. The group leading model entails certain peculiar costs such as group formation costs and cost of training the borrowers prior to loan disbursement. The high degree of supervision and high frequency of instalment payments (usually weekly or bi-monthly) that are important features of group micro credit also contribute to costs. Chavan and Ramakumar, (2004) argue that such costs are transferred to MSEs and hence affect the performance of the enterprises.

2.5 Critique of Literature

A Study finding on the attitude of the top managers, employees and entrepreneurs towards entrepreneurial strategic planning practices indicated that the top management appreciated the role of entrepreneurship to the performance of the enterprises. The findings as confirmed by the spearman's rho correlation analysis indicated that $r=0.191$ (EO and employees), $r=0.188$ (EO and sales) and $r=0.222$ (EO and performance levels) at 0.05 levels of significance. From this research it can be concluded that Entrepreneurial Orientation had a positive relationship and played a major role in the performance of enterprises. (Gathenya *et al*, 2011).

An analysis of the correlation between business networks, role models, social cultural factors and business mentorship services (Mutegi *et al*, 2013) indicated that business networks was highly correlated with role models by a coefficient of 0.627 and also highly and positively correlated with social cultural factors as indicated by a coefficient of 0.793. This implies that, business networks, role models and social cultural factors are important determinants of the performance of businesses. Developing strategic partners and customer care was ranked high at number two, with a mean of 4.01 followed by selling skills (mean =3.918), customer relationship (mean =3.767) and marketing management (mean =3.603).these results verified the realization by women entrepreneurs that Strategic Partnerships, attracting new customers and retaining them was a prominent challenge for those interested in the growth and development of the businesses. Roomi and Harrison, (2008), study confirms that firms grow through the use of their contracts and external relations and become competitive. The role of the government was noted to be critical on the performance of women businesses. While the government launched various schemes and intervention strategies for women, studies reveal that women entrepreneurs are mostly unaware of such schemes and interventions with 33 per cent of the respondents unable to comment on the schemes and 27 per cent of them showing disagreement against the availability of such schemes.

Further, 84 per cent of the respondents were unhappy with the role of the government machinery in support of women entrepreneurship. Almost 69 per cent reported a gap between the government policy and the implementation, while 20 per cent were found to be neutral on the role of the government, (Singh & Belwal, 2007; Akinboade & Kinfack, 2012).

A study conducted in Cameroon on SMEs revealed that 86 and 92 per cent of SMEs have never complied with the regulations from the government, (Akinboade & Kinfack, 2012). Most of the SMEs believe that regulations are difficult to comply with, not consistent nor appropriately enforced. Almost 45 per cent of the respondents find it easy to comply with tax regulations and about 41 per cent indicated that tax regulations achieve their objectives.

A study by Mwaura et al. (2014) on determinants of ICT usage among women entrepreneurs in Kenya established that embracing ICT in managing their businesses had helped them reduce paperwork and therefore bundles of paper in their premises and related costs such as printing, filing and searching. Making calls had also helped them save time, money and energy and improved reliability. A 37% in the hospitality and financial sectors said it had made bill automation possible. While a number of those operating wholesale shops said that ICT had helped them retrieve information on past sales and were able to predict and plan for customer behaviour.

At the same time they were able to establish a stock tracking system, able to get different prices for a product and there identify suppliers in good time. ICT had also facilitated in advertising their businesses supplementing the traditional method such as; by way of mouth, leaflets, and bill postings.

2.6 The Research Gap

The existing body of knowledge was not sufficient to show the moderating effect of Strategic Partnership on the independent variables: EO, EGDs, LRF and the dependent variable, Performance of Women Owned MSEs in developing countries with Kenya being the main reference.

The literature reviewed generally outlined the factors affecting the performance of SMEs and laid little emphasis on the moderating effect of strategic partners and how they imparted on the Performance of WOE. In this study SP was studied as a moderating variable and was considered to have a significant contributory influence on the initial stated independent and dependent variable. The WEF as a SAGE partnered with various financial intermediary institutions to access credit to women entrepreneurs'. Understanding the factors influencing the performance of Women Owned enterprises filled a knowledge gap in entrepreneurship by providing insights concerning the determinants of firm performance among women entrepreneurs and help policy makers and providers of training programs to develop entrepreneurial related policy and training that will enable women entrepreneurs to quickly learn and adopt entrepreneurial skills and form Strategic Partnerships that facilitated business growth. There is also the question of the effect of Strategic Partnerships introduced

to benefit the women by the government and its implication on the Performance of the WOE's. There is lack of research that takes a broader focus across firms to answer the above mentioned questions. In addition, there is no clear evidence regarding the role of entrepreneurial group dynamics and the influence of the Strategic Partnerships on the groups formed by women or the reasons as to why SPs when introduced to these women groups, they adversely affect their growth and sustainability. There was a gap in literature concerning the relationship between the cause and effect variables of the study. The research therefore sought to fill the research gap.

2.7 Summary of Literature Review

The literature reviewed for this study was organised under various themes; Theoretical Framework, Conceptual Framework, Entrepreneurial Orientation and Performance of WO MSEs.

The study explored the relationship between Entrepreneurial Group Dynamics and Performance of WO MSEs, Legal Regulatory Framework and the Performance of WO MSEs and Strategic Partnerships and Performance of WO MSEs. The chapter covered critical review of literature, empirical Review of previous studies, research gaps and conclusion of review of literature. From the literature it was noted that entrepreneurial components, namely; EO, LRF, EGDs and SP contributes to the start-up, sustainability and Performance of Women Owned MSEs.

On EO, existing literature revealed that the role of the entrepreneur and the employees toward the core aspects of EO, innovation, risk taking, competitive aggressive, autonomy and proactiveness was critical in enhancing the Business Performance (Bird, 1989, Lumpkin & Dess, 1996, Gathenya *et al.*, 2011). The government was noted to have significant role in promoting the performance of businesses as they provided measures and interventions which affected the day to day operations of the businesses in areas like licensing, taxation, registrations and other related policy development and implementation (Mwirigi et al, 2011, Amarjit & Biger, 2012, Atherton et al, 2008). The use of networks and interpersonal relationships by business owners in order to generate informal assistance to develop

and grow their businesses has been recognized (Bennet & Richardson, 2005). Entrepreneurs accessed training, build and develop social capital and leadership skills which were later transferred to the businesses. External strategies of business growth and specifically Strategic Partnerships contributed to growth of firms (Kuratko, 2009; Allen, 2009; Bwisa, 2011). This research is aimed at establishing the influence of Entrepreneurial Components on the Performance of WO MSEs.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter summarizes the research philosophy that unearths the approach taken in this research. It also depicts the research design to be used, the population, sampling technique to be employed, the sample and the sample size, data collection methods, pilot study, reliability and validity of the research instrument. The statistics models that were used to test the hypothesis were also discussed in this chapter.

3.2 Research Design

The aim of this study was to determine the influence of Entrepreneurial Orientation, Group Dynamics, Regulatory Framework, and Strategic Partnerships on the Performance of Women Owned Enterprises in Kenya. To achieve this, the study undertook a Survey Research Design was Cross-Sectional in nature, also known as statistical research which answers research questions like who, what, where, when and how (Jacobs, 2009; Bryman & Bell, 2011). The Cross -Sectional Study Design or Status Studies was employed to describe the nature of a situation, as it exists at the time of the study and to explore the cause/s of particular phenomena (Leary, 2001, Ranjit, 2009). The design was found useful in obtaining an overall picture as it stood at the time of the study. The study was Cross -Sectional with regard to both the study population and the time of the investigation .This enabled the researcher to prove the already outlined hypotheses on how the intervention extended by WEF has impacted on the Performance of Women Owned MSEs.

The study took a positivism philosophy where data was collected using quantitative approach and questionnaires. Research hypothesis were formulated and subjected to testing during the research process to prove them right or wrong. This enabled gathering of reliable data which is a requirement for scientific methods to ensure measurability (Newman & Benz, 1998; Bryman & Bell, 2011). It allowed the use of statistical analysis of the ANOVA which is not possible for phenomenology approach where only descriptive analysis can be carried out.

3.3 Study Population

This study had a target population as justified by Gall, Gall and Borg (2007).

The target population comprised of all Women who had benefited from WEF loan more than once in Embu County. The target population was therefore Seven Thousand Five Hundred and Ninety (7,590) while the accessible population was Seven Hundred and Ninety Five (795) Women Owned SMEs who had received WEF loan more than once.

This is as shown on Table 3.1 which outlines the target population and their Sub Counties.

Table 3. 1: The Target Population

		1st Time Borrowers	2nd Time Borrowers	3rd Time Borrowers	Total 2nd and 3rd Borrowers
1	Mbeere North	1650	120	0	120
2	Manyatta	3015	360	15	375
3	Runyenjes	1830	210	15	225
4	Mbeere South	1095	75	0	75
	Total	7590	765	30	795

Source: WEF 2013 (Eastern Region WEF Report)

3.4 Sampling Frame

The Sampling Frame consisted of 765 Women entrepreneurs. It contained all the names of the entrepreneurs who had taken WEF Loan more than once and it was obtained from the WEF Eastern Region Offices. The total number of 260 women was sampled in the study.

3.5 Sample and Sampling Technique

This study was not carried out on all the accessible population i.e. Seven Hundred and Ninety Five (795). This was because of costs involved, speed of data collection and analysis required, accuracy of collected data, and highly reliable quality of the

data (Adèr, Mellenbergh & Hand, 2008). Sampling design which the process is undertaken to come up with the sample to be investigated was therefore necessary (Zikmund, Babin, Carr & Griffin, 2010). This was discussed below under the themes: Sample size determination and sampling technique.

3.5.1 Sample Size Determination

A sample was obtained by adopting Cochran (1977) formulae and calculating using the available data:

$$n = \frac{Z^2 p q}{d^2}$$

Where n = the required sample size

Z = is standard normal deviate at the required confidence level (1.96) at 0.05

p = is the proportion of the target population estimated to have the characteristics being measured when one is not sure, so one takes middle ground (0.5)

$$q = 1 - p$$

d = is the margin of error

Therefore,
$$n = \frac{1.96^2 \times 0.5 \times 0.5}{0.05^2} = 384$$

This gave a sample size of 384 which can be adjusted when population is less than 10,000 using the following relationship (Neuman, 2000).

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

Where n_f is the desired sample size when population is less than 10,000;

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

The sampling frame was obtained from the WEF which contained Seven Hundred and Ninety Five (795) Women Owned MSEs who had received loans more than once. Applying the formulae above, the calculation will be as follows:

$$n_f = \frac{384}{(1 + (384/795))} = 260$$

Table 3. 2: Proportional Allocation

Constituen cy/ Sub County	2 nd Time Borrowers	3 rd Time Borrowers	Total 2 nd and 3 rd Borrowe rs	Proportio nal Allocation (Sample size)	Stratum Percenta ge (%)
1 Mbeere North	120	0	120	39	15
2 Manyatta	360	15	375	123	47
3 Runyenjes	210	15	225	73	28
4 Mbeere South	75	0	75	25	10
Total	765	30	795	260	100

Source: WEF 2013 (Eastern Region WEF Report)

Table 3:2 shows that the population was divided into four (4) Sub Counties (constituencies); namely Mbeere North, Manyatta, Runyenjes and Mbeere South. Each stratum was properly represented so that the sample size drawn from the stratum was proportionate to the stratum share of the total population. Table 3:3 shows the calculated proportional allocation of each of the Four Sub Counties in Embu.

Table 3. 3: Calculated Proportional Allocation

No.	Sub County	Proportional Allocation (calculated)	Total
1.	Mbeere North	$260(120/795) = 260*0.15$	39
2.	Manyatta	$260(375/795) = 260*0.47$	123
3.	Runyenjes	$260(225/795) = 260*0.28$	73
4.	Mbeere South	$260(75/795) = 260*0.09$	25
TOTAL			260

3.5.2 Sampling Technique

This study used two (2) stages of probabilistic sampling techniques because of the population's homogenous characteristics (Kothari, 2004). The first stage involved stratified Random sampling technique where population was stratified into four (4) different Constituencies where they come from to ensure the four Constituencies are equally represented. The proportion size of each Constituency was arrived at using proportional allocation as shown in Table 3:3, the number of elements from each stratum in relation to its proportion in the total population was selected using proportionate stratified sampling procedure (Ranjit, 2009). Simple Random Sampling was employed in the second stage to ensure that all get equal chances to be selected with no specific order (Kothari, 2004; Mwituria, 2012).

This excluded bias selection and by the virtue of acceptance of WEF to give loan more than once to the same clients, it was assumed that any client can give representative information and thus the sample was a true representation of the population. The sampling frame was the Seven Hundred and Ninety Five (795) Women Owned SMEs who had received WEF loan more than once. As shown on Table 3:1, the sampling frame included the four (4) Sub Counties. The source of the sampling frame was the Eastern Region WEF Report (2013).

3.6 Data Collection Instruments

The study used three (3) methods to collect data to ensure both primary and secondary data are collected.

3.6.1 The Study Instruments

Questionnaire - For primary data collection, a questionnaire was used to provide written answers to written questions (Leary, 2001).

The questionnaire consisted of both open and closed ended questions based on the variables under investigation to enable determine the moderating effect of Strategic Partnership on Entrepreneurial Orientation and the Performance of Women Owned Micro and Small Enterprises (WO MSEs). The target respondents of the questionnaires were the managers or senior personnel or supervisors that handle managerial, administrative and legal matters based on industry experience, actual or presumed knowledge on the subject.

The questionnaire (Annex 1) was subdivided into six (6) subsections: section one contained the general characteristics information of the individual respondent and the MSEs. This helped analyse and generalize the same onto the population under study.

Section two to six are based on the thematic issues of the study which correspond to the five (5) variables of the study including the dependent variable (Performance of Women Owned MSEs), three (3) independent variables (Entrepreneurial Orientation, Entrepreneurial Group Dynamics, and Legal and Regulatory Framework) and one (1) moderating variable (Strategic Partnerships).

The questionnaire's closed questions used five point likert scale for speedy data coding and analysis. The open questions were also used to get more information on the thematic areas. On the dependent variable, (Performance of Women Owned MSEs), the respondents were to rate their answers on likert scale of (1) increased (2) remained the same (3) decreased.

The independent variables were rated as follows on likert scale for the closed questions: Entrepreneurial Orientation: (1) strongly disagree (2) disagree (3) neutral (4) agree and (5) strongly agree.

Entrepreneurial Group Dynamic (1) strongly disagree (2) disagree (3) neutral (4) agree and (5) strongly agree. Legal and Regulatory Framework: (1) strongly disagree (2) disagree (3) neutral (4) agree and (5) strongly agree. For the moderating variable, (Strategic Partnerships), the respondents were to rate their answers on likert scale of (1) strongly disagree (2) disagree (3) neutral (4) agree and (5) strongly agree.

An interview schedule (Appendix 2) for qualitative data was administered to women with challenges filling the questionnaire provided.

Review of secondary data - Content from historical documents such as newspapers, commentaries, speeches and interviews was used to explain certain phenomena such as the Legal and Regulatory Framework and Entrepreneurial Orientation on the Performance of Women Owned MSEs.

Computer-based data analysis provided by WEF - This was useful in the clustering of the population in strata and also knowing those who had received the funds more than once. It also assisted in locating the sampled targets as their addresses were indicated on the data.

3.6.2 The Operationalization of the Variables

The main tool of data collection was the questionnaire which was physically checked for consistency and reliability of the responses. All the questionnaires were organised according to the four (4) Sub Counties of Embu County (Mbeere North, Mbeere South, Runyenjes and Manyatta) and had serial numbers which ensured that no questionnaire was entered twice. The responses in the questionnaire were rated on a scale of 1-5, where 1 represented strongly disagree and 5, strongly agree.

For positively stated items the scale went from 1(Strongly Disagree) to 5(Strongly agree). For negatively stated items the scale went from 1(Strongly agree) to 5(Strongly disagree).In this study, a mean of 3.40 to 5 was considered to be good,

and between 2.60 and 3.40 was considered to be moderate while that of below 1.80 showed that a particular dimension had not been applied to a great extent. The data had a few missing cases which were cleaned and edited, this was mainly observed as concerning the year the business was started. However, this did not affect the results of the study. As such Table 3.4 indicates how the study variables were operationalized and their corresponding sections on the questionnaire.

Table 3. 4: Operationalization of the Variables

Variable	Indicators	Questionnaire
Dependent Variable		Section 2
Performance of Women	<ul style="list-style-type: none"> • Net profit • Cash flow stability 	
Owned MSEs	<ul style="list-style-type: none"> • Sales Volume • The number of Employees • Assets Acquisition • Market Share • Sales Growth Rate 	
Independent Variables		Section 3
Entrepreneurial Orientation (EO)	<ul style="list-style-type: none"> • Risk Taking Propensity • Proactiveness • Competitive Aggressiveness • Constant search for Competitive Advantage • Autonomy 	
Entrepreneurial Group Dynamics (EGDs)	<ul style="list-style-type: none"> • Entrepreneurial Training • Entrepreneurial Networking • Entrepreneurial Leadership skills 	Section 4
Legal and Regulatory Framework (LRF)	<ul style="list-style-type: none"> • Licenses required • Taxes to the MSEs • Government policies • Interest Rates 	Section 5
Moderating Variable		Section 6
Strategic Partnership (SPs)	<ul style="list-style-type: none"> • Financial Intermediary Partners (banks, SACCOS, MFIs) • MGCSD 	

Interpretation of the coefficients with respect to the study variables

$H_{oi} : \beta_i = 0$ versus $H_{oi} : \beta_i \neq 0$ ($i = 1, 2, 3$)

If the hypothesis is rejected then the variable X_i had significant influence on Y .

$H_{oz} : \beta_{iz} = 0$ versus $H_{iz} : \beta_{iz} \neq 0$ ($i = 1, 2, 3$)

If β_{iz} is statistically different from zero, there is significant moderation of the $X_i - Y$ relation in the data. If the hypothesis is rejected then the interaction term was taken to be significant.

3.7 Data Collection Procedures

A research permit was acquired from the National Council for Science, Technology and Innovation (NACOSTI) as per Appendix Six, Seven and Eight.

Permission was also sought from the WEF Headquarters in Nairobi who introduced the researcher to the WEF Eastern Regional Coordinator.

The coordinator linked the researcher to the Key contact persons in the Four Sub Counties of Manyatta, Runyenjes, Mbeere North and Mbeere South as shown in Appendix Eight. This helped to access and gain acceptance with the Women Entrepreneurs in Embu County. The questionnaires were administered to the target respondents during group meetings. Research assistants were used to administer the questionnaire as the questionnaires were to be completed on the spot. The researcher personally conducted the interviews as was deemed to be knowledgeable on issues concerning women. (Raman & Kumar 2008; Thuo et al., 2011).

3.8 The Pilot Study

To test reliability and validity of research instrument, pilot study was carried out. This served as a guide for a larger study and examined specific aspects of the research to see if the selected procedures actually worked as intended by increasing response rates, reducing missing data and obtaining more valid responses (Zidmund et al, 2010). At least 15 pre-selected Women Owned MSEs (approximately 5% of the

sample size) who had received loan from WEF more than once were given the questionnaires to facilitate the testing for their validity and reliability, Saunders *et al.*, (2007) recommends a pilot test of between 5% and 10% of the study sample. The subjects participating in the pilot study were not included in the final research to avoid survey fatigue (ASA, 1997).

3.8.1 The Reliability Testing

Reliability test was carried out using Cronbach's Coefficient Alpha test which validated the measuring instrument to determine its portability, structure and reliability (Kothari, 2004). Variables that did not correlate strongly (<0.7) were removed from the measuring instrument. If the Cronbach's coefficient alpha was above 0.7, the value commonly required for descriptive research (Nunnally and Bernstein, 1994), it indicated satisfactory reliability. If not, then the researcher was to call for revision to meet this threshold level.

3.8.2 The Validity Testing

The degree to which the tool correlated to other theoretical propositions which is the construct validity was looked into by the supervisors who were well versed with the topic of study. The pilot study response guided on content and criterion validity checks as the respondents were asked to comment on the tool. This ensured the content validity, which is the adequacy of coverage of topic will increase.

They also commented on relevance and any bias that could be on the tool to increase the criterion validity of the same (Kothari, 2004). Based on their response, the tool was adjusted accordingly.

3.8.3 Test for Multicollinearity

According to Bryman, (2012), Multicollinearity occurs when two or more variables are highly correlated thus creating shared variance between variables. Multicollinearity reduces the efficiency of the estimates for the parameters. As Multicollinearity increases, the effect of each independent variable on the dependent variable decreases (Luke & Rubin, 2006). This study indicated that all the variables

had VIF of less than 10 (within the recommended range of 1-3) and tolerance of more than 0.1 ruling out Multicollinearity problem (Bryman, 2012). To determine whether Multicollinearity levels would pose a challenge to the study, regression analysis was conducted to generate the Variance Inflation Factor (VIF) value. A VIF of above 10 was interpreted as indicating problems with Multicollinearity (Bryman, 2012; Hair, Anderson, Tatham & Black, 2012).

3.9 Data Analysis and Presentation

3.9.1 Data Processing

The primary raw data obtained from the questionnaires was checked for omissions, legibility and consistency before being coded for analysis. The Statistical Package for the Social Sciences (SPSS) tool was used to organise, code and analyse both quantitative and qualitative information. The main advantage of SPSS is that it includes many ways to manipulate quantitative data and containing most statistical measures (Neuman, 2009).

Several descriptive and inferential statistics were used to analyse the data either on individual variable or all the variables together. The descriptive analysis included the mean, percentages and standard deviation. For the purpose of this study, a mean score of above 4.2 implied that a particular entrepreneurial dimension was applied to a great extent. A mean of between 2.60 and 3.40 was considered to be moderate while that of below 1.80 showed that a certain dimension had not been applied to a great extent. This helped present the face value of the data collected for further analysis.

3.9.2 Regression Analysis

The inferential statistics used include the regression model method. The analysed data was presented in form of pie charts, figures and Tables. Normality test was carried out on the dependent variable (Performance of Women Owned MSEs) and the residuals.

Simple linear regression analysis was carried out on SPSS to find out the rate of change of variables in relation to changes in one another. From the outcome, the model of goodness of fit (how well the model fits the data) was established and statistical coefficients.

3.9.3 Statistical Models

The main statistical model that was used for this study was the simple linear regression model as illustrated below. Table 3.5 provides a further breakdown of the regression model into specific hypotheses under test.

$$Y = \beta_0 + \beta_i X_i + \varepsilon$$

Where: Y = Performance of the Women Owned MSEs;

β_i = Coefficients of independent variables X_i ; (i=1,2,3)

Independent Variables: (EO = Entrepreneurial Orientation (X_1); EGD= Entrepreneurial Group Dynamics (X_2); LRF = Legal and Regulatory Framework (X_3))

ε = error term which is assumed to be normal in distribution with mean zero and variance σ^2 .

For the moderated multiple regression model with the interaction of the predictors with the moderator;

$$Y = \beta_0 + \beta_i X_i + \beta_z X_4 + \beta_{iz}(X_i X_4) + \varepsilon$$

Where: Y= Performance of the women Owned MSEs;

β_i = Coefficient of independent variable (EO = Entrepreneurial Orientation (X_1); EGD= Entrepreneurial Group Dynamics (X_2); LRF= Legal and Regulatory Framework (X_3))

β_z = Coefficient of the Moderating Variable (Strategic Partnerships)

β_{iz} = The coefficient of the interacting variables (Independent Variable and the Moderator) which measures the moderation effect.

$X_i X_4$ = The interaction term of the Independent Variable and the Moderator.

(X_4) = SP = Moderator Variable (Strategic Partnerships)

ε = error term which is assumed to be normal in distribution with mean zero and variance σ^2 .

3.9.4 Test of Hypotheses

Table 3:5 shows the study hypothesis, the objectives of the study and the corresponding coefficients in the multiple regression models. The null hypothesis was rejected based on the significance of the parameters in the regression model.

Table 3. 5: Study Hypothesis, Study Objectives and Analytical Model

Hypothesis	Objective	Corresponding coefficient in multiple regression model
H₀₁: Entrepreneurial Orientation has no significant influence on the Performance of Women Owned MSEs	To establish the influence of Entrepreneurial Orientation on the Performance of Women Owned MSEs.	β_1
H₀₂: Entrepreneurial Group Dynamics have no significant influence on the Performance of Women Owned MSEs.	To determine the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned MSEs.	β_2
H₀₃: The Legal Regulatory Framework has no significant influence on the Performance of Women Owned MSEs.	To establish the influence of Legal Regulatory Framework on the performance of Women Owned MSEs	β_3
H₀₄: The Strategic Partnerships do not significantly moderate between Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework, and Performance of Women Owned MSEs	To determine the moderating influence of Strategic Partnerships on Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework and the Performance of Women Owned Enterprises in Embu County.	β_4

For each objective, the decision to reject or fail to reject the null hypothesis was based on the significance of coefficients ($p < 0.05$) of the related variables in the fitted regression. The Significance level is 0.05; therefore the corresponding confidence level is 95%.

3.10 Ethical Consideration Issues

Fontana and Frey (2000) assert that ethical considerations should be done in terms of informed consent, confidentiality and consequences. The three were addressed as follows through a letter sent together with questionnaire: (1) informed consent - by providing the key themes of the research topic and its overall purpose on the questionnaire where it is clearly indicated that the questionnaire will be filled in on voluntary grounds; (2) confidentiality (the right to privacy and protecting identify) - all interviewees will be informed that their name and their organization's name would remain anonymous; and (3) consequences (protection from for example physical and emotional harm) - questions will be designed to obtain specific information about how the organization was addressing particular issues and not on the specific personal views of the interviewee which will avoid personal questions thus no consequences will follow.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and presentation of the results on the demographic information of the respondents involved in the study, test for Multicollinearity, information on Entrepreneurial Orientation in the women MSEs, Entrepreneurial Group Dynamics, Legal and Regulatory Framework, Strategic Partnerships, and the Performance of WO MSEs in Embu County.

The collected data was analysed by use of descriptive statistics where mean values, standard deviation, and proportions were assessed and presented in table format. Inferential statistical analysis was also done on the study variables to determine the relationship among the study variables on the Performance of WOE. The results in this section provide descriptive output and inferential analysis which is mainly based on regression models.

4.1.1 Response Rate

After the data coding, data entry and a prelude to data analysis, data was explored to isolate, identify and rectify any inconsistency. The study targeted 260 respondents from the study population and realized an overall response rate of 100% where it was observed that all the study target respondents responded to through the questionnaire and interview schedule submitted to them.

This response rate is considered highly adequate for analysis because it was above 70% which is recommended as adequate by Mugenda and Mugenda (2008). Thus, a 100% response rate was a great achievement and is considered reliable and valid for analysis, drawing of conclusions and making recommendations.

4.1.2 Demographic Review

This section discusses the demographics of the sample acquired from the target population of Women Owned Enterprises in Kenya involved in the study to determine the influence of Entrepreneurial Orientation, Group Dynamics, Regulatory Frameworks, and Strategic Partnerships on Firm Performance. The demographic information as indicated on Table 4.1 shows the observed key characteristics of the respondents such as their age, academic qualifications, age of business, Sub County of business operation and loan received details.

Age of the Respondents

The study identified various businesses to meet its sample requirements in Women Enterprises. The study enquired about the age of the identified respondents of these businesses and the outcomes are as presented in Table 4.1. Cumulatively, 73.5% of the respondents were in the age bracket of 31-50 years, 4.6% of the respondents being in their youthful (30 years and below) age. This is the age when most Kenyan youth finish formal education. The education system in Kenya has placed emphasis on producing graduates who are oriented towards entry into white collar employment. There is a perception that self-employed are school drop outs with no other employment option (Oyugi, 2014).

Table 4. 1: Sample Characteristics

Item	Frequency	Percentage
Age of Respondents		
21-30	12	4.6
31-40	54	20.8
41-50	137	52.7
51-60	47	18.1
Above 60	10	3.8
Total	260	100.0
Highest Academic Qualification		
None	1	0.4
Primary	27	10.4
Secondary	96	36.9
Certificate	94	36.2
Diploma	34	13.1
Degree	8	3.1
Total	260	100.0
Age of the Business		
1-5	42	16.2
6-10	183	70.4
11-15	34	13.1
16-20	1	0.4
Total	260	100.0
Sub County of Operation		
Manyatta	123	47.3
Runyenjes	73	28.1
Mbeere North	39	15.0
Mbeere South	25	9.6
Total	260	100.0

Item	Frequency	Percentage
Number of loans received		
Once	19	7.3
Twice	160	61.5
Thrice	66	25.4
More than Three Times	15	5.8
Total	260	100.0
Loan Channels		
Ministerial Channel	170	65.4
Financial Intermediary Channel (FIPs)	35	13.5
Both Ministry and FIPs	55	21.2
Total	260	100.0

This is an indication that youths are sparingly involved in business activities. The age between 31-50 years has the majority of the respondents. At this age, majority of the women have families and need income to support and sustain their families.

The finding of this study agrees with Gakure and Kyalo, (2011) that women are more likely to start businesses to achieve a work family balance and flexibility. They desire to become self-employed to develop a more flexible work schedule that allows them to balance work and family demands. These reasons provide an impetus to entrepreneurship and a desire to performance and grow in MSEs.

Highest Academic Qualification

The level of education of the respondents was also considered in the study. The study looked at the respondents' highest level of education whose outcomes are as presented in Table 4.1.

The level of education of a person is an indicator of the technical skills and capacity of the person. Thus, information on the education level of a person is important. The study found that cumulatively, 47.3 % of the respondents had either primary or secondary academic level or 49.3%, had either certificate or diploma level of education. Additionally, 0.4% had no formal academic qualification. The findings of this study agree with Muturi and Sakwa (2013), that educational level and gender significantly affects performance and the participation of Women in groups and that the level of education among women is a key determinant of participation in Rotating Savings and credit association. However, illiteracy among women owned businesses has been noted to create a major stumbling block to the performance of the enterprises (Nthuni, 2014). The findings of the study shows that most of the women enterprises involved in the study are run by women with educational background that reasonably allow them to handle the day to day operation of the enterprises.

Age of Business

The study enquired about the period of establishment of each of these businesses that were eventually involved in the study. It was observed in Table 4.1.that majority, 70.4% were aged between 6 -10 years, 16.2% of businesses were aged 1-5 years

while the rest, 13.5% were aged more than 10 years. Therefore, it can be confirmed that most firms have been operational for more than 5 years, an indication that they are well conversant with the MSE sector operations and are able to offer their comprehensive experience of the sector. Empirical studies indicate that many MSEs have low survival rate, less than a third of the women businesses survive the transition from the second to third generational ownership (Bowman, 2006; Nthuni, 2014; Churchill & Lewis, 1983; Kuriloff et al., 1999) hence calling for various entrepreneurial intervention strategies at different stages of the business life cycle to enhance their performance.

Sub County of Operation

The study established that 47.3% of the respondents were from Manyatta Sub County, 28%, 15% and 9.6% were from Runyenjes, Mbeere North, and Mbeere South respectively. According to the Economic Survey of 2014, Manyatta and Runyenjes sub counties are economically endowed due to their geographical location while Mbeere North and South are located in semi-arid region of Embu County hence have low economic endowment. This shows that all the regions targeted in the study of Embu County were accessed for data collection and were therefore fully represented in the study as preconceived in the study methodology. This is a clear indication that the women enterprises presented in the study were representative.

Number of Loans Received

The study enquired about the number of times the MSEs involved in the study had received the Women Enterprise Fund (WEF) loans. The outcomes of this undertaking are as presented in Table 4.1. It was observed that most of the women MSEs had received the WEF loans twice (61.5%), while 25.4% had received the loan thrice, and 7.3% of the MSEs had received the loan only once.

One of the main challenges affecting the performance of WOE's is accessing financing. In the 1990s researches confirmed that women entrepreneurs did not receive equal treatment as the male counterparts in financial institutions and women were likely to experience discrimination, negative perceptions and credibility issues in financial institutions. Gakure and Kyalo, (2011) agree that the current and flexible model of financing in Kenya is giving women an opportunity to access business finance without tangible collateral.

Loan Channels

A further enquiry on the Women Enterprise Fund (WEF) channels that the MSEs involved in the study had received for loans. It was observed that 65.4% of the women enterprises in Embu County preferred to use the ministerial channels in accessing the WEF loans. This is an indication that most of the institutions preferred the government channels of accessing the loans. This study established that both the leading institutions and the government are providers of credit to women in both the rural and urban areas hence promoting loan accessibility and the performance of WOE's (Nthuni, 2014). This information is shown on Table 4.1.

Bitange (2006) held that the delivery of services near their clients and in the largest catchments area has been made possible, through the use of lending technologies that are simple, well-tailored to the cultural environment and inexpensive for both lender and client.

Loan Usage

The study further looked at the utilization of loans acquired by the entrepreneurs for usage in their business and the following outcomes presented in Table 4.2 emerged in these regards.

Table 4. 2: Loan Utilization among WOE

Loan Utilization	Frequency	Percent
Invested in Other Business	25	9.6
Invested in this Business	124	47.7
Used it in other family responsibilities	62	23.8
Training	49	18.8
Total	260	100

The study found that most of the WOE after acquiring loans for their entrepreneurship undertakings invested in their current businesses (47.7%). However, a chunk of them carried out training (18.8%) while a further 23.8% used it in other family responsibilities. Only a very small portion of WOE were able to invest the loans in other business (9.6%). This is an indication that most of the loans offered to WOE are responsibly used with only a very small chunk being diverted to non - economic activity (such as other family responsibilities). However, it was observed that though most of the loans are applied in economical undertakings, only a small percentage of the loan is applied on the business the loan was acquired for, an indication that the loans might have been easily diverted to non-economic use.

The findings agree with those of Gakure and Kyalo (2011) and Nthuni, (2014) that most of the women are likely to invest the loan amount in the business, though a small percentage will divert it to other family related activities thereby affecting the performance of the enterprises.

The look at impact of the WEF loans on the businesses involved in the study brought out the various effects of loans within the study region in a bid to assess the influence of the WEF loans on the growth of the WOE. The outcomes observed in the study are as presented in Table 4.3.

Table 4. 3: Business Growth as a result of the Loan

Business Growth as a result of WEF	Frequency	Percentage
More Products and Services	30	11.5
Marketing	54	20.8
Increased Customers	42	16.2
Product Diversification	33	12.7
Training	39	15.0
Creating Networks	30	11.5
Increased Assets	32	12.3
Total	260	100

The study found that the loan received influenced the Business Performance in marketing their products 54,(20.8%) while 42,(16.2%) noted that it facilitated the increase of customers, 15.0% on training of employees, 12.7% on product diversification, 12.3% on increasing assets and 11.5% on creating networks and increasing products and services.

Business Location

The study looked at the location of businesses before the loan. The outcomes observed in the study are as presented in Table 4.4.

Table 4. 4: Business Location

Business Location Before	Frequency	Percent
At Home	33	12.7
Open Air/Roadside	27	10.4
Hawking	63	24.2
Another Location	7	2.7
Same Location	130	50.0
Total	260	100

It was observed that most of the businesses are still located at the same location they had been created (50%) while 24.2% are carried out through hawking, 12.7% operated from home, 10.4% in open air/ roadside and 2.7% have relocated to another location during their life cycle. A study by ILO (2003) revealed that lack of a

suitable location or sale outlets; stiff competition, low purchasing of the local population, lack of marketing know-how, season nature of business and inadequate infrastructure was a key determinant of MSEs performance of WOE.

4.1.3 Reliability Testing

The study carried out the reliability testing prior to data analysis and the following findings were recorded as presented in Table 4.5.

The study observed that all the variables were able to meet the minimum value of 0.7 coefficients to indicate that they were fully reliable. Entrepreneurial Orientation (EO) had a relatively higher reliability coefficient of 0.805 from 10 items considered while Entrepreneurial Group Dynamics (EGDs) was observed to have lower reliability coefficient of 0.756 from 10 items and Legal and Regulatory Framework (LRF) and Strategic Partnerships (SP) both observed Cronbach’s coefficients of 0.842 with 8 items and 0.724 in 13 items respectively.

The five factors therefore realized reliability coefficients greater than 0.700 (0.805, 0.756, 0.842 and 0.724), an indication that the factors had high consistency and ability to measure the views of the respondents and could be generalized to reflect opinions of all respondents in the target population.

The items that met the threshold based on Cronbach’s alpha were aggregated by taking their averages. The following is a summary of the study variables descriptives.

Table 4. 5: Study Variable Descriptives

Independent Variables	Cronbach’s	No. of Items	Mean	Standard Deviation
Entrepreneurial Orientation(EO)	0.805	10	2.4492	.27319
Entrepreneurial Group Dynamics(EGD)	0.756	10	2.5550	.42953
Legal and Regulatory Framework(LRF)	0.842	8	2.3058	.42967
Strategic Partnerships(SP)	0.724	13	2.8047	.34904

4.1.4 Normality Test

In this study regression analysis was carried out. Regression could best be estimated if the basic assumptions of Multiple Regressions were achieved.

To determine if data was normally distributed, Kolmogorov-Smirnov and Shapiro-Wilk tests were conducted. The results are shown in Table 4.6.

Table 4. 6: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Performance	.044	260	.200*	.991	260	.135
Entrepreneurial Orientation	.102	260	.000	.983	260	.003
Entrepreneurial Group Dynamics	.079	260	.000	.985	260	.009
Legal and Regulatory Framework	.151	260	.000	.949	260	.000
Strategic Partnerships	.060	260	.022	.993	260	.317

According to Bryman and Bell, 2015, if a test is non-significant ($p > 0.05$) it means that the distribution of the sample is not differently significant from any normal distribution. However, if the test is significant ($p < 0.05$) then the distribution is significantly different from the normal distribution, meaning that it is non normal. Table 4.6 shows that the results were significant even after transformation. This therefore means that the distribution was different from normal.

To test the level of departure from normality Q-Q Plots were carried out. The Quantile-Quantile (Q-Q) plot which is a graphical technique for determining if two data sets come from populations with a common distribution was applied in the study. The results were shown in Figure 4.1; 4.2; 4.3; 4.4 and 4.5.

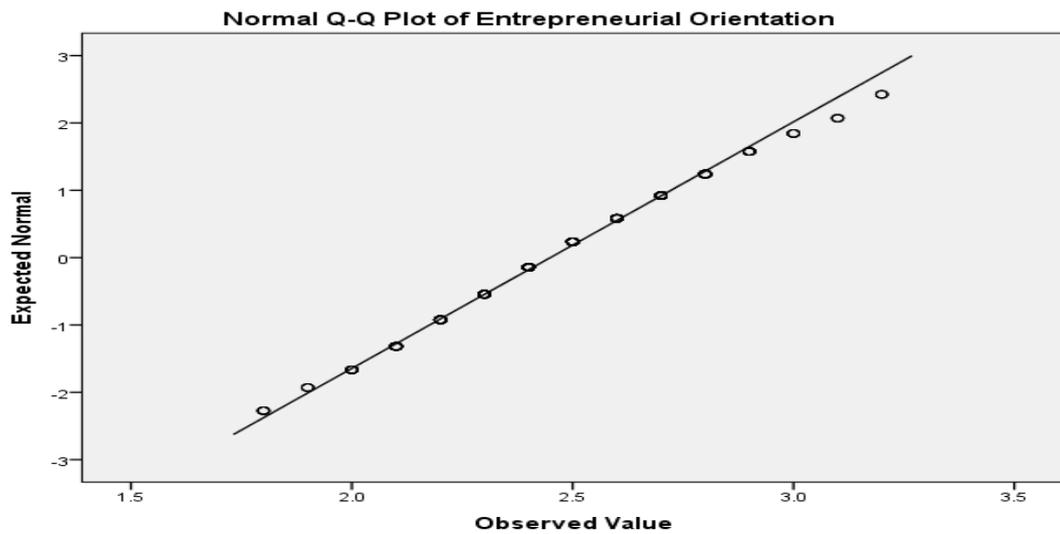


Figure 4. 1: Q-Q Plot of Entrepreneurial Orientation

Figure 4.1 indicated that the departure from normal for Entrepreneurial Orientation was not much, showing that the data was close to normal and could therefore be employed to run the regression.

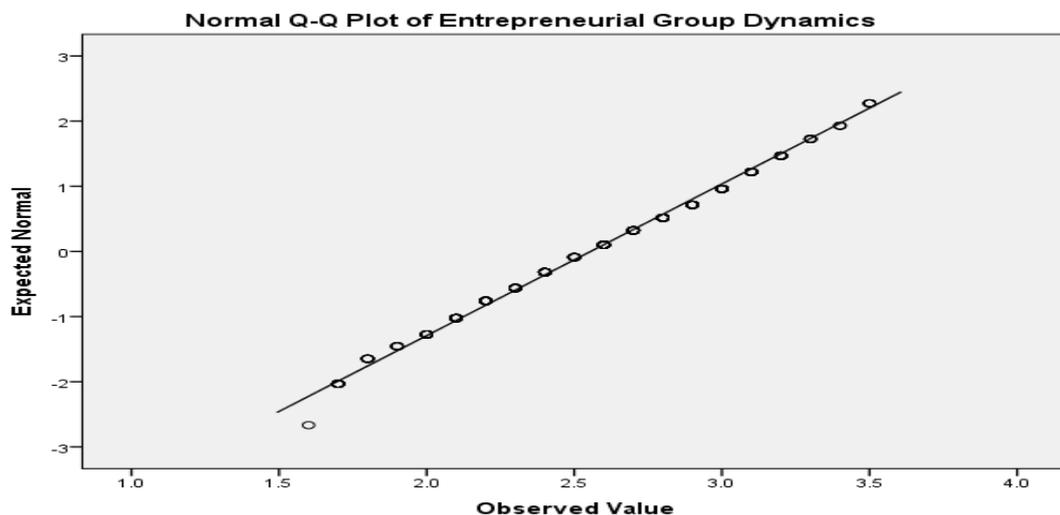


Figure 4. 2: Q-Q Plot of Entrepreneurial Group Dynamics

Figure 4.2 showed that Entrepreneurial Group Dynamics was distributed along the normal line indicating that the data was suitable to run the regression.

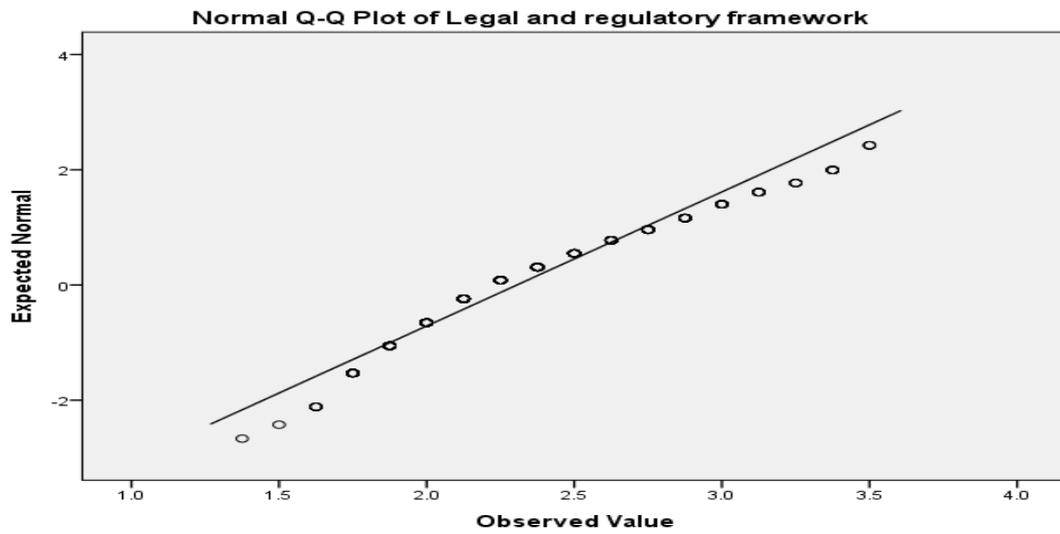


Figure 4. 3: Q-Q Plot of Legal Regulatory Framework

Figure 4.3 showed that Legal Regulatory Framework was distributed along the normal line indicating that the data was ideal to run the regression.

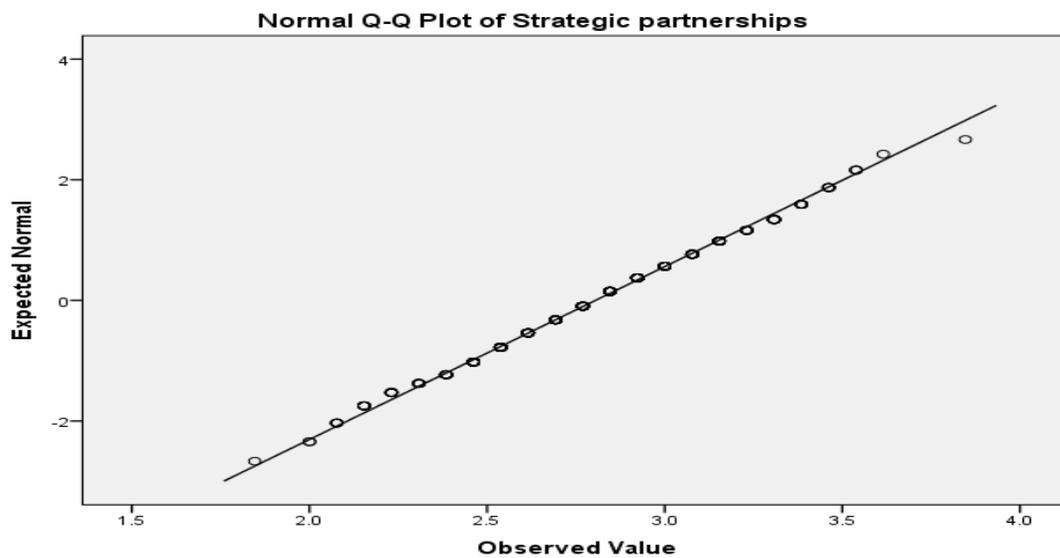


Figure 4. 4: Q-Q Plot of Strategic Partnerships

Figure 4.4 showed that the departure from normal for Strategic Partnerships was normal and therefore they could be used to run regression analysis.

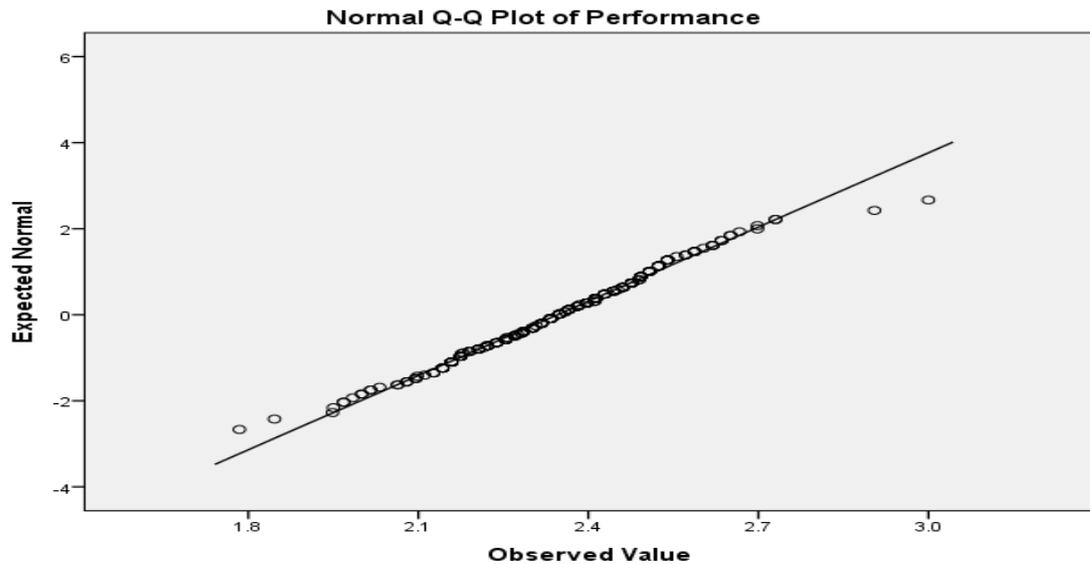


Figure 4. 5: Q-Q Plot of Performance

Likewise, Figure 4.5 showed that the departure from normal for Firm Performance was normal and therefore could be used to run regression analysis.

Generally, an observation of the visual presentation of the Q- Q Plot indicated that the data was approximately normally distributed to allow for regression analysis to be carried out.

4.1.5 Test for Multicollinearity

A test for Multicollinearity was carried out for the four variables as shown in Table 4.7. The Variance Inflation Factor (VIF) is the reciprocal of the Collinearity Tolerance.

Multicollinearity occurs when two or more predictors in the model are correlated and provide redundant information about the response.

The test to see if the data met the assumption of Collinearity indicated that Multicollinearity was not a concern (Entrepreneurial Orientation, Tolerance = .934, VIF = 1.071; Entrepreneurial Group Dynamics, Tolerance = .896, VIF = 1.116; Legal and Regulatory Framework, Tolerance = .839, VIF=1.192; Strategic Partnerships, Tolerance = .915, VIF = 1.092).

The values obtained were within the recommended range of 1-3 (Bryman, 2012), thus ruling out the problem of Multicollinearity among the four (4) study variables.

Table 4. 7: Results of Multicollinearity Test^a

Variable	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1 Entrepreneurial Orientation	.934	1.071
1 Entrepreneurial Group Dynamics	.896	1.116
1 Legal and regulatory framework	.839	1.192
1 Strategic partnerships	.915	1.092

a: Dependent variable: Performance

4.1.6 Women Enterprises Performance

The variable on Business Performance was studied as a criterion variable. The study considered various indicators of Firm Performance for MSEs in Embu County. The respondents commented on whether on a five (5) years period the performance indicators increased, remained the same or decreased on a Likert scale where: (1) presents increased; (2) remained the same; and (3) Decreased. Table 4.8 shows the outcomes of the inquest to establish the performance status of the Kenyan women owned enterprises.

The study collected information on various indicators of Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal and Regulatory Framework and Strategic Partnerships to assess their relationship with firm performance of Women Owned MSEs in Embu County, Kenya. These outcomes are presented in the sections that follow.

Table 4. 8: WOE Performance

Indicators of Performance of WOE	Performance of WO MSEs (Mean Distributions of Annual Performance Indicators)				
	2010	2011	2012	2013	2014
Net Profit	1.40	1.48	1.53	1.61	1.68
Cash Flow Stability	1.68	1.43	1.70	1.45	1.23
Sales Growth Rate	1.32	1.43	1.49	1.63	1.75
Sales Volume	1.53	1.67	1.81	1.86	1.95
Number of Employees	1.39	1.43	1.52	1.54	1.75
Assets Acquisition	1.27	1.38	1.52	1.67	1.68
Market Share	1.46	1.33	1.66	1.38	1.69

As presented in Table 4.8, the respondents were asked to state whether the net profit increased, remained the same or decreased. The study found that net profit performance of WOE in Embu County increased from 1.40 in 2010 to 1.68 in 2014. This indicated an average increase of a mean of 0.28.

The responses on the cash flow stability, asset acquisition and the number of employees showed a similar trend with the net profit in the five years. The key determinants of increase trend in net profit were sales growth rate, asset acquisition and sales volume.

The study also considered the number of full time employees in the WOE in a bid to assess the growth of the firms over a five year period between 2010 and 2014. The outcomes observed in the study are as presented in Table 4.9.

Table 4. 9: Employees in WOE

Year	N	Total Number of Full Time Employees (%)					Mean	Standard Deviation
		None	1-3	4-6	7-9	Over 9		
2010	232	0	9	72	18	1	3.10	.541
2011	241	0	10	64	24	2	3.17	.619
2012	259	0	15	59	23	3	3.13	.692
2013	260	0	20	45	31	3	3.18	.787
2014	260	0	16	38	40	6	3.37	.821
	232							

It was also observed that none of the Women Owned Enterprises involved in the study lacks an employee. However, it was noted that the mean number of employees increased from 3.10 in 2010 to a mean of 3.37 in 2014. However between 2011 and 2012 there was a slight decline of only 0.04.

The study looked at the 2010/2014 sales volume, cost of sales, asset acquisition and equity levels. The ratings were in the bracket of Ksh 1-10,000 to Ksh 40,000 and above in a bid to assess the performance of the firms' over the five (5) year period. The outcomes observed in the study are as presented in Tables 4.10; 4.11; 4.12 and 4.13. Regarding the sales volume, the study observed an increase in the mean from 3.53 in 2010 to a mean of 4.83 in 2014 and a standard deviation of 1.016 in 2010 and 0.465 in 2014.

Table 4. 10: Sales Volume

	n	Sales Volume Performance					Mean	Standard Deviation
		Ksh. 1-10000% (%)	Ksh. 10,001-20,000 (%)	Ksh. 20,001-30,000 (%)	Ksh. 30,001-40,000 (%)	Ksh. 40,001-or More (%)		
2010	234	0	15	38	24	22	3.53	1.016
2011	242	1	5	37	31	26	3.78	.919
2012	259	0	6	25	42	27	3.90	.870
2013	260	0	2	10	33	54	4.39	.765
2014	260	0	0	3	10	87	4.83	.465

The study looked at the 2010/2014 cost of sales in the WOE's in a bid to assess the performance of the firms' cost of sales over the five year period. The outcomes observed in the study are as presented in Table 4.11.

Table 4. 11: Cost of Sales

Year	n	Cost of Sales					Mean	Standard Deviation
		Ksh. 1-10000 (%)	Ksh. 10,001-20,000 (%)	Ksh. 20001-30000 (%)	Ksh. 30001-40000 (%)	Ksh. 40001-or More (%)		
2010	234	30	46	15	6	3	2.05	.981
2011	242	29	47	17	5	3	2.07	.966
2012	259	36	44	14	4	1	1.90	.876
2013	260	40	39	13	4	3	1.90	.971
2014	260	52	35	7	4	2	1.69	.913

The study found that the cost of sales increased marginally from a mean score of 2.05 to 2.07 between the year 2010 and 2011, before stagnating at 1.90. This was followed by a decline of a mean of 0.39 between 2013 and 2014.

The study looked at the performance in assets for the WOE's in a bid to assess the Performance of the firms' assets over the five year period between 2010 and 2014.

It was found that the assets acquisition among the WOE's were increasing as indicated by the observation in Table 4.12, that between 2010 and 2014, the asset acquisition increased from a mean of 2.97 to 4.60, this translates to an increase of a mean of 1.63.

Table 4. 12: Assets Performance

YEAR	n	Assets					Mean	Standard Deviation
		Ksh. 1- 10000 (%)	Ksh. 10,001- 20,000 (%)	Ksh. 20001- 30000 %(%)	Ksh. 30001- 40000 (%)	Ksh. 40001- or More (%)		
2010	234	1	32	45	12	9	2.97	.934
2011	242	1	12	48	26	12	3.38	.880
2012	259	0	5	31	47	17	3.76	.796
2013	260	0	5	31	47	17	4.21	.768
2014	260	0	3	13	45	39	4.60	.659

This is an indication of improving performance in relation to the firm's assets where assets growth was observed among the studied WOE's. The study also looked at the equity levels of the WOE's in a bid to assess the performance of the firms over the five year period between 2010 and 2014. The outcomes observed in the study are as presented in Table 4.13.

Table 4. 13: Equity levels in WOE

YEAR	n	Equity					Mean	Standard Deviation
		Ksh. 1- 10000 (%)	Ksh. 10,001- 20,000 (%)	Ksh. 20001- 30000 (%)	Ksh. 30001- 40000 (%)	Ksh. 40001- or More (%)		
2010	234	3	36	32	18	11	2.98	1.055
2011	242	4	19	42	24	12	3.20	1.009
2012	259	3	14	29	33	21	3.56	1.064
2013	260	3	7	13	38	39	4.02	1.045
2014	260	2	4	7	16	72	4.51	.924

It was found that the equity levels among the WOE were increasing as indicated by the observation in Table 4.13 between 2010 and 2014, the equity levels increased from a mean of 2.98 to 4.51, this translates to an increase of a mean of 1.53. This is an indication of improved performance in relation to the firm's equity levels observed among the studied WOE.

The outcome of this study in relation to various indicators of Business Performance agree with a study carried out by ILO (2003) on business enterprises which revealed that the average sales of the enterprises increased to 75%, cash income 110% and the number of employees per enterprise moved from 1.62 to 1.18.

4.2 Entrepreneurial Orientation and Performance of WO MSEs

This section focused on objective one which was to investigate the influence of Entrepreneurial Orientation on the Performance of Women Owned Enterprises in Embu County.

4.2.1 Descriptive Analysis of Entrepreneurial Orientation and Performance of WO MSEs

To establish the influence of Entrepreneurial Orientation on the Performance of women owned businesses, the study considered various Entrepreneurial Orientation indicators observed among the respondents. Various indicators of existence of Entrepreneurial Orientation activities and tendencies in the firms were applied.

Respondents commented on their extent of agreement with Entrepreneurial Orientation undertakings and issues presented to them on a Likert scale where: (5) presents strongly agree; (4) agree; (3) neutral; (2) disagree; (1) strongly disagree. Table 4.14 shows the outcomes of that inquest.

The extent of Entrepreneurial Orientation was indicated by the percentages and the mean scores while the variance on entrepreneurial characteristics was indicated by the standard deviation. A higher standard deviation was an indication of higher variation, while a standard deviation of less than one (1) indicated less variation. For the purpose of this study, a mean score of above 4.2 implied that a particular entrepreneurial dimension was applied to a great extent.

Table 4. 14: Entrepreneurial Orientation

Statements on Entrepreneurial Orientation	Percentages (%)					SD	Mean	Standard Deviation
	SA	A	N	D				
1. Always engage in high risk business activities	58.8	33.1	2.3	4.2	1.5	4.43	.856	
2. Aggressively seek and exploit market opportunities in WOE	32.3	63.5	2.7	1.2	0.4	2.36	.603	
3. Have new products /services all the time in my WOE	50.8	38.8	5.4	3.1	1.9	4.33	.865	
4. Have an opportunity to learn new business ideas	30.4	66.5	2.7	0.4	0.0	4.27	.524	
5. Rarely in control in WOE	8.5	7.3	18.5	47.3	18.5	2.40	1.126	
6. Certain on decisions made concerning the future of WOE	11.5	61.2	26.9	0.4	0.0	3.84	.613	
7. Rarely anticipate future wants and needs in the market	1.9	2.7	18.1	69.2	8.1	2.21	.707	
8. Respond to what the competitors bring in market	1.9	5.8	23.5	29.2	39.6	2.01	1.019	

n=260 SA-Strongly Agree, A-Agree, N- Neutral, D-Disagree, SD Strongly Disagree

A mean of between 2.60 and 3.40 was considered to be moderate while that of below 1.80 showed that an Entrepreneurial Orientation dimension had not been applied to a great extent. Table 4.14 shows the percentages of the responses, the mean and standard deviation for the Entrepreneurial Orientation study variable. For positively stated items the scale went from 1(Strongly Disagree) to 5(Strongly agree). For negatively stated items the scale went from 1(Strongly agree) to 5(Strongly disagree).

The study found that WOE engage in high risk business. It was observed that most of the WOE (58.8%) strongly agreed that they always engage in high risk business activities. It was observed that cumulatively 96% of the WOE agreed that they aggressively sought and exploited market opportunities; have new products /services

all the time in their WOE (90%); always have an opportunity to learn new business ideas (97%); are always very certain on decisions made concerning the future of WOE (72.2%).

On the other hand, on business autonomy, cumulatively the study found that 34.3% of the firms disagreed that WOE are rarely in control of their businesses activities implying that they were in charge of the day to day business operations. The study therefore concludes WOE in Embu County have the requisite Entrepreneurial Orientation skills.

A further examination of the mean revealed that the propensity to undertake risks in business enterprises was high among the respondents with a mean score of 4.43, followed by proactiveness which had a mean score of 4.33. On whether the women respond to what the competitors bring in market, the mean score was 2.01, an indication that they agreed that they were proactive and planned ahead in the entrepreneurial ventures. Proactiveness entails anticipating and acting on future wants and needs in the market which would enable a firm to gain first mover advantage ahead of the competition. The findings of this study agree with the scholarly works of Razzaq (2013), that successful businesses are characterized by certain entrepreneurial behaviours such as risk taking, innovation and proactiveness.

In order for women to have a competitive advantage, there is need to increase their level of Entrepreneurial Orientation to survive the dynamic ,fast and complex business environment which is characterized by short life cycles, globalization and continuous improvement in technology. Entrepreneurial Orientation is considered as a mechanism for survival and success of women businesses. The respondents explained the impetus for remaining in the same business and from the study.

It was established that 28% (72) was due to security,19% (50) family and future stability, the strong desire to grow was 32 % (84) and 21%(54) was due to the need to increase their business income. From the study findings, it was observed that majority of respondents got encouragement to start and remain in the same business due to family, economic or personal related reasons and this may be a contributing factor for expansion and growth of the enterprises. On product and service

improvement, 90% (234) agreed that they repeatedly improved the products and services while 10% (26) did not improve or add value to the business products and services. These findings concur with the scholarly works of Kuratko (2009) that entrepreneurs engage in business due to reasons which could be categorized broadly into two (2); that is, Active forces (pulling factor) and Reactive forces (pushing factors) an indication of entrepreneurial mind-set.

4.2.2 Inferential Statistics on Entrepreneurial Orientation and Performance of WO MSEs

H₀₁: *Entrepreneurial Orientation has no significant influence on the Performance of Women Owned MSEs in Embu County.*

A regression model to determine the relationship between Entrepreneurial Orientation (independent variable) and Performance of Women Owned MSEs (dependent variable) was carried out in the study. This provided the output of model summary, ANOVA and regression coefficients observed.

Table 4. 15: The model Summary of EO

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.135 ^a	.018	.014	.17261

a. Predictors: (Constant), Entrepreneurial Orientation (EO)

Entrepreneurial Orientation was regressed on Performance and the model was found to be significant ($F(1,258) = 4.793, p = 0.029$) with a goodness of fit of 1.8% (R squared = 0.018) as shown in Table 4.15 and Table 4.16. This shows that 1.8% of the variation in Performance is accounted for by Entrepreneurial Orientation.

Table 4. 16: ANOVA: Entrepreneurial Orientation and Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
						(<i>p value</i>)
1	Regression	.143	1	.143	4.793	.029 ^a
	Residual	7.687	258	.030		
	Total	7.829	259			

a. Predictors: (Constant), (Entrepreneurial Orientation)

b. Dependent Variable: Performance

The fitted regression model was Performance = -0.086EO + 2.346 as observed in Table 4.17, which implies that one unit increase in Entrepreneurial Orientation index decreases Performance by 0.086 units.

Table 4. 17: Coefficients^a -Entrepreneurial Orientation and Performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constan)	2.346	.011		219.115	.000
	EO	-.086	.039	-.135	-2.189	.029

a. Dependent Variable: Performance

Therefore, the null hypothesis that “*Entrepreneurial Orientation has no significant influence on the Performance of Women Owned MSEs in Embu County*” is **REJECTED**.

According to the findings, Entrepreneurial Orientation has an influence on the Performance of women owned firms in Embu County, Kenya, since its relationship was observed to be statistically significant (p=0.029; t= -2.189).

The regression model indicates that the relationship between Firm Performance and Entrepreneurial Orientation is negative with a coefficient of -0.086 and a constant of 2.346. The regression model of this relationship is:

$$Y = 2.346 - 0.086 EO$$

Where: Y is Performance of Women Owned Enterprises and EO is the Entrepreneurial Orientation.

4.2.3 Discussion of Findings for Entrepreneurial Orientation and Performance

This section discusses the research findings based on the study objective one that focused on investigating the influence of Entrepreneurial Orientation on the Performance of Women Owned Enterprises in Embu County.

The study found that there is very high indication of Entrepreneurial Orientation among Women Owned MSEs in Embu County with average number of the women entrepreneurs indicating signs of having Entrepreneurial Orientation tendencies. The descriptive analysis established that the Women entrepreneurs responded positively on the entrepreneurial Orientation tendencies such as risk taking, innovativeness and proactiveness. This implied that the businesses apply various measures of Entrepreneurial Orientation such as ensuring that they: always engage in high risk business activities; aggressively seek and exploit market opportunities; have new products/services all the time; have an opportunity to learn new business ideas and are always very certain on decisions made concerning the future of WOE. Wiklund and Shepherd, (2003) observed that due to the high level of involvement and influence of the owner manager in the day to day running of the businesses, their Entrepreneurial Orientation is a key factor in determining the success of the firm.

The inferential statistics revealed that Entrepreneurial Orientation had an influence on the Performance of women owned firms in Embu County, Kenya, since its relationship was observed to be statistically significant ($p=0.029$; $t= -2.189$).

4.3 Entrepreneurial Group Dynamics and Performance of WO MSEs

This section dwelled on objective two which was to determine the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises in Embu County.

4.3.1 Descriptive Analysis of Entrepreneurial Group Dynamics (EGDs) and Performance of WO MSEs

To establish the influence of Entrepreneurial Orientation on the Performance of women owned businesses, the study looked at various indicators observed of Entrepreneurial Group Dynamics among respondents in the women owned businesses in Embu County. Various indicators of existence of Entrepreneurial Group Dynamics in the firms were applied. Respondents commented on their extent of agreement on these undertakings presented to them on a Likert scale where: (5) presents strongly agree; (4) agree; (3) neutral; (2) disagree; (1) strongly disagree. The outcomes are as shown in Table 4.18.

Table 4. 18: Entrepreneurial Group Dynamics

Statements on Entrepreneurial Dynamics	Group	Percentages (%)				SD	Mean	Standard Deviation
		S A	A	N	D			
1. Training based on technical issues		45.8	49.2	2.7	2.3	0	4.38	.656
2. Training instils business management skills		33.1	63.8	2.3	0.4	0.4	4.29	.567
3. Groups promote networking and socializing		42.3	55.4	0.8	0.4	1.2	4.37	.642
4. Encouragement Strengthens the WOE's		33.8	61.2	5.0	0	0	4.29	.554
5. Different Professions increases knowledge and experiential sharing		45.0	49.6	5.0	0.4	0	4.39	.602
6. Develop Entrepreneurial Leadership Skills		19.6	65.0	12.3	1.5	1.5	4.00	.722
7. Groups don't promote networking and socialization		1.50	3.8	1.2	62.7	30.8	1.83	.764

n=260 SA-Strongly Agree, A-Agree, N- Neutral, D-Disagree, SD Strongly Disagree

The objective of the study was to determine the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises in Embu County.

A higher standard deviation was an indication of higher variation, while a standard deviation of less than one (1) indicated less variation. For the purpose of this study, a mean score of above 4.2 implied that a particular entrepreneurial dimension was applied to a great extent. A mean of between 2.60 and 3.40 was considered to be moderate while that of below 1.80 showed that an Entrepreneurial Orientation dimension had not been applied to a great extent. Table 4.9 shows the percentages of the responses, the mean and standard deviation for the Entrepreneurial Group Dynamics study variable.

For positively stated items the scale went from 1(Strongly Disagree) to 5(Strongly agree). For negatively stated items the scale went from 1(Strongly agree) to 5(Strongly disagree).

The key indicators that were explored in the Entrepreneurial Group Dynamics were business training, business networking and entrepreneurial leadership. As presented in Table 4.18, it was observed that most of the WOE's agreed that: training of Groups was based on technical issues (95%) and instilled business management skills (97%). The study established that groups always promoted networking and socializing (98%) among women entrepreneurs. The study indicated that women always developed entrepreneurial leadership Skills (85%) in group interactions.

In relation to Business Performance, the women entrepreneurs involved in the study indicated the benefits of joining groups to include: pooling of resources 21.2%(55); access to finances 36 (13.8%); sharing of ideas 19.2(50); access to markets; access to training; proper decision making; and networking. These benefits are strong enough to ensure that WOE's groups are able to thrive.

They observed the challenges facing women groups to include: leadership wrangles; lack of team work; diverse opinions; lack of empowerment; identifying new sources of raw materials; misappropriation of finances; and, diversion of loans. On other entrepreneurial Group dynamics that affected the performance of women businesses, it was reported that women educational level 66(25.4%) and social networks

41(15.8%) influenced the performance of businesses. It was noted that cultural practices; team spirit; leadership skills; identification of sources of raw materials; and commitment to business had a influence on firm performance. A further examination of the mean revealed that different Professions increases knowledge and experiential sharing at a mean of 4.39. The training of women entrepreneurs instilled business management skills which were high among the respondents with a mean score of 4.29, followed by networking and socializing which had a mean score of 4.19.

These research findings agree with the works of Omwenga et al. (2013) that networks and networking are an important requirement for success in women entrepreneurship. It is a critical element for entrepreneurs in gaining access to capital, advice and information needed to initiating and operating a new venture easily. It has been found out that support from personal networks improves survival, growth and performance chances of new ventures.

On whether the women developed entrepreneurial leadership skills in the groups, the mean score was 4.00, an indication that they agreed that leadership skills were inculcated in women groups.

The findings of this study agree with scholarly works of Rachid (2009) and Ahmed (2011) that the principles of entrepreneurial leadership skills acquired in groups are transferred to the community, family and business set up. Women groups promote democracy as members of these groups learn to discuss, make prudent decisions and solve business related problems together. However women entrepreneur's strongly disagreed that women groups did not promote networking and socialization with a mean of 1.83 and a standard deviation of 0.764.

4.3.2 Inferential Analysis of Entrepreneurial Group Dynamics (EGDs) and Performance of WO MSEs

H₀₂: *Entrepreneurial Group Dynamics has no significant influence on the Performance of Women Owned MSEs in Embu County.*

A regression model to determine the relationship between Entrepreneurial Group Dynamics (independent variable) and Performance of Women Owned MSEs (dependent variable) was carried out in the study. This provided the output of model summary, ANOVA and regression coefficients observed.

Table 4. 19: Model Summary of EGD

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.009 ^a	.000	-.004	.17420

a. Predictors: (Constant), Entrepreneurial Group Dynamics, (EGD)

Entrepreneurial Group Dynamics was regressed on Performance and the model was found to be insignificant ($F(1,258) = 0.022$, $p = 0.882$) with a goodness of fit of 0% (R squared = 0.000) as shown in Table 4.19, Table 4.20 and Table 4.21.

Table 4. 21: ANOVA Entrepreneurial Group Dynamics

Model	Sum of Squares	df	Mean Square	F	Sig. (p value)	
1	Regression	.001	1	.001	.022	.882 ^a
	Residual	7.829	258	.030		
	Total	7.829	259			

a. Predictors: (Constant), EGD, b. Dependent Variable: Performance

The findings revealed 0.000% results, indicating that there was no variation in Performance that was accounted for by Entrepreneurial Group Dynamics.

Table 4. 21: Entrepreneurial Group Dynamics and Performance Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig. (<i>p value</i>)
		B	Std. Error	Beta		
1	(Constant)	2.346	.011		217.117	.000
	EGD	.004	.025	.009	.149	.882

a. Dependent Variable: Performance

Therefore, the study **FAILS TO REJECT** the null hypothesis that “*Entrepreneurial Group Dynamics has no significant influence on the Performance of Women Owned MSEs in Embu County*”,

4.3.3 Discussion of Findings for Entrepreneurial Group Dynamics and Firm Performance

This section discusses the research findings based on the study objective two that focused on determining the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises in Embu County. The study observed large scale application of Entrepreneurial Group Dynamics in Women Owned MSEs in Embu County. It was found that various Entrepreneurial Group Dynamics characteristics are observed within the businesses in the County, an indication that WOE in the region practise this strategy and accrued certain benefits from it. Entrepreneurial Group Dynamics in training, networking /socializing and entrepreneurial leadership skills were found evident among women owned businesses. It was found out that training of groups was based on technical issues and instilled business management skills. Women groups were found to promote networking/ socializing and increased knowledge and experiential sharing and in groups, women always had an opportunity to develop Entrepreneurial Leadership Skills.

A report on the role of micro credit (Bitange, 2006), stated that solidarity groups enabled MFIs success in terms of sustainable lending and helped the MSEs to gain training and development ideologies for their application and usage in the firm. The findings of this study agrees with the scholarly works of (K' Aolgh, 2008) that groups provide for specific economic and social benefits such as mutual self-help, the creation of social networks and effective business performance.

In the inferential statistics, Entrepreneurial Group Dynamics was regressed on Performance and the model was found to be insignificant ($F(1,258)=0.022$, $p=0.882$) as shown in Table 4.20 with a goodness of fit of 0% ($R\text{ square}=0.000$) as shown in Table 4.19.

4.4 Legal Regulatory Framework and Performance of WO MSEs

The objective of this section was to establish the influence of Legal Regulatory Framework on the Performance of Women Owned Enterprises in Embu County.

4.4.1 Descriptive Analysis of Legal Regulatory Framework on the Performance of WO MSEs

The third objective of the study was to establish the influence of Legal Regulatory Framework on the performance of WOEs. Various indicators of existence of Legal Regulatory Framework in the firms were applied. These included; licences, taxes and government policies Respondents commented on their extent of agreement on these undertakings presented to them on a Likert scale where: (5) presents strongly agree; (4) agree; (3) neutral; (2) disagree; (1) strongly disagree.. A higher standard deviation was an indication of higher variation, while a standard deviation of less than one (1) indicated less variation. For the purpose of this study, a mean score of above 4.2 implied that a particular Legal Regulatory Framework dimension was applied to a great extent. A mean of between 2.60 and 3.40 was considered to be moderate while that of below 1.80 showed that, that Legal Regulatory Framework dimension had not been applied to a great extent. The outcomes are as shown in Table 4.22.

It was observed that WOE operates within a regulated environment impacted by law provisions and various regional regulations. The government has a special role to play towards creating policies and a conducive legal and regulatory environment that promotes growth of WOE (Nteere, 2012).

Table 4. 22: Legal and Regulatory Framework

Statements on Legal and Regulatory Framework	Percentages (%)					Mean	Standard Deviation
	S A	A	N	D	S D		
Bureaucratic Procedures	54.2	28.8	5.0	9.2	2.7	4.23	1.076
Many Licences required	28.8	51.9	12.3	3.5	3.5	3.99	.930
High Taxes levied	48.5	32.7	15.0	2.3	1.5	4.24	.900
Government cushions MSEs from Imports	25.4	45.8	21.9	6.2	0.8	3.89	.883
Inhibitive government policies	33.8	40.8	24.2	0.4	0.8	4.07	.815
Repayment period Increased	70.4	28.8	0.4	0.4	0.0	4.69	.495
Interest Rates increased	0.4	0.4	0.4	27.7	71.2	1.31	.541

n=260 SA-Strongly Agree, A-Agree, N- Neutral, D-Disagree, SD Strongly Disagree

It was observed that the respondents agreed that: the long procedures in getting business licences always negatively affected the Business Performance (83%); there were many Licences required for business operations (81%); there are high taxes levied to the MSEs (81%); government cushions MSEs from imports (71%); there are inhibitive government policies on MSEs funding (74%); and repayment period of loans should be increased (99%). The study established that the interest rate charged by borrowing institutions and tax levied on entrepreneurs were not reasonable. On other legal regulatory factors that promote performance of WOE, 65(25%) indicated that there was need to have favourable regulatory framework that would make the businesses to thrive.

A further examination of the mean indicated a mean score of 1.31 and a standard deviation of 0.541 that majority of the respondents disagreed that the loan interest should be increased. Concerning the taxes levied on Small business a mean of 4.24 and standard deviation of 0.900 was noted indicating that the women entrepreneurs

perceived there were high taxes imposed on businesses by the government which eventually negatively affected the day to day performance of the businesses. A study by Harris (2002) and Edward et al (2003) confirmed that women entrepreneurs in MSEs divert the scarce business resources away from productive, profit generating activities and towards the discovery, understanding of and compliance with regulations. Women entrepreneurs faced many challenges which were attributed to high taxes and lack of comprehensive framework in terms of policies towards the development of the MSEs Sector.

4.4.2 Inferential statistics for Legal and Regulatory Framework on Performance of WO MSEs

H₀₃: The Legal Regulatory Framework has no significant influence on the Performance of Women Owned MSEs in Embu County.

A regression model to determine the relationship between Legal and Regulatory Framework (independent variable), Strategic Partnership (moderating variable), multiple of Legal and Regulatory Framework and Strategic Partnership (interaction) and Performance of Women Owned MSEs(dependent variable) was carried out in the study. This provided the output of model summary, ANOVA and regression coefficients observed.

Table 4. 23: Legal Regulatory Framework Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.091 ^a	.008	.004	.17348

a. Predictors: (Constant), Legal and Regulatory Framework (LRF)

Legal and Regulatory Framework was regressed on Performance and the model was found to be insignificant ($F(1,258)=2.154$, $p=0.143$) as shown in Table 4.24 with a goodness of fit of 0.8% ($R^2=0.008$) as shown in Table 4.23. This shows that 0.8% of the variation in performance is accounted for by Legal and Regulatory Framework.

Table 4. 24: Legal Regulatory Framework ANOVA

	Model	Sum of Squares	df	Mean Square	F	Sig. (<i>p value</i>)
1	Regression	.065	1	.065	2.154	.143 ^a
	Residual	7.765	258	.030		
	Total	7.829	259			

- a. Predictors: (Constant), LRF
- b. Dependent Variable: Performance

The fitted regression model was $\text{Performance} = 0.037\text{LRF} + 2.346$ as observed in Table 4.25, which implies that one unit increase in Legal and Regulatory Framework index increases Performance by 0.037 units.

Table 4. 25: Legal Regulatory Framework and Performance Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig. (<i>p value</i>)
	B	Std. Error			
1	(Constant)	2.346	.011	218.012	.000
	LRF	.037	.025	.091	1.468 .143

- a. Dependent Variable: Performance

Therefore, the study FAILS TO REJECT the null hypothesis that “the Legal and Regulatory Framework has no significant influence on the Performance of Women Owned MSEs in Embu County”,

4.4.3 Discussion of Findings for Legal Regulatory Framework on the Performance of WO MSEs

This section discusses the research findings based on the study objective 3 that focused on establishing the influence of Legal Regulatory Framework on the Performance of Women Owned Enterprises in Embu County.

The study found that women Enterprises operate within a certain Legal and Regulatory environment. The study observed that: there were bureaucratic procedures in getting Trade Licences; many Licences were required for business operations; there were high taxes levied to the MSEs; government cushioned MSEs from imports; there were inhibitive government policies on MSEs funding and the repayment period of loans was too short.

This is in line with Helms and Reille (2004) argument that the existence of a comprehensive framework in terms of policies that can support MSEs development and private sector involvement in critical services is needed as it promotes firm performance. However, experts in business believe that the nature of the regulation burden may affect the MSE competitiveness and productivity. The opponents of the regulation argue that it restricts business start-up, impedes successful performance and growth and contributes to business failure, (Amarjit & Biger, 2012; Mwirigi, Mukulu & Karanja, 2011). It has been shown that there is a higher Micro and Small Enterprises start up rate if Legal and Regulatory constraints are eased (Maragia, 2008). The Kenyan MSEs experience attributes closure of business to legal regulatory and fiscal problems. The government regulates and controls economic activities leaving no room for MSEs to flourish and innovate.

It takes at least two months to obtain a business licence and to meet all obligations required to be compliant, (Maragia, 2008). Indirectly, the Legal and Regulatory Framework contributes to firm closure through lack of access to credit, raw materials, and operating capital.

These findings are also consistent with a World Bank Report that women entrepreneurs are affected by bureaucracy and red tape, lack of government supply – supporting programs, complexity of trade documentation including packaging and labelling ,unfavourable legal and regulatory environment and in some cases, discriminatory regulatory practices.

The inferential statistics in this study indicated that when Legal and Regulatory Framework was regressed on Performance, the model was found to be insignificant ($F(1,258)=2.154$, $p=0.143$) as shown in Table 4.24 with a goodness of fit of 0.8% (R square =0.008) as shown in Table 4.23.

4.5 Strategic Partnerships and Performance of WO MSEs

This section focused on objective Four: To determine the moderating influence of Strategic Partnerships on the relationship between Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework, and the Performance of Women Owned Enterprises

H_{04a}: Strategic Partnership has no significant moderating influence on Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework and Performance of WO MSEs

4.5.1 Descriptive Analysis of the moderating influence of Strategic Partnerships on Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework and Performance of WO MSEs

The study looked at various indicators of Strategic Partnerships among the WOE's involved in the study. Existence of various indicators of Strategic Partnerships in the firms was assessed. Respondents commented on their extent of agreement on these undertakings presented to them on a Likert scale where: (1) presents strongly disagree; (2) disagree; (3) neutral; (4) agree; (5) strongly agree. The outcomes are as shown in Table 4.26. The moderation variable was similarly created leading to Strategic Partnerships (SP) variable, which was further dichotomized (Below 3 as below average and above 3 as above average in a likert scale of 1 to 5).

Table 4. 26: Strategic Partnerships

Statements on Strategic Partnerships	Percentages (%)					Mean	Standard Deviation
	SA	A	N	D	SD		
Banks act as FIP	44.6	43.8	3.8	7.3	0.4	4.25	.867
Easy to get finance documents required from bank	25.8	45.4	16.5	10.4	1.9	3.83	.993
Takes long to get loan approval from bank	6.5	18.1	25.8	31.5	18.1	2.63	1.163
SACCOs are reliable FIP	13.5	61.2	8.8	15.4	1.2	3.70	.926
Takes long to get loan approval from SACCOs	6.9	22.7	29.6	29.2	11.5	2.84	1.112
Micro Finance Institutions (MFIs) act as FIP	23.1	57.7	7.3	11.2	0.8	3.91	.903
Takes long to get loan approval from MFIs	5.8	14.2	31.9	36.2	11.9	3.34	1.048
MGCSD act as FIP	32.3	45.4	16.5	5.0	.8	2.44	.871
Easy to get finance documents required from MGCSD	.4	13.5	20.0	62.3	3.8	2.44	.786
Take long period to get loan approval from MGCSD	1.5	11.9	20.4	49.6	16.5	2.32	.940

n=260 SA-Strongly Agree, A-Agree, N- Neutral, D-Disagree, SD Strongly Disagree

The study established that there existed Strategic Partnerships between the government and Financial Intermediary Partners in the provision of various financial support and intervention strategies to the WOE.

The partnerships were formed between Ministry of Gender, Children and Social Development (MGCSD) and SACCOs, Micro Finance Institutions (MFIs) and banks on the other hand in loan application, processing and approvals. The outcome of the study showed that the respondents agreed that banks act as FIPs with a mean of 4.25 and a standard deviation of 0.867 and disagreed that it takes long to get loan approval from bank with a mean of 2.63 and a standard deviation of 1.163. on other Strategic Partnerships that would promote the performance of businesses, 32(12.3%) indicated

that there should be limited business monitoring by the partners while 40 (15.45) reported that there was need to reduce long bureaucratic procedures in accessing services from the partners .Ngoc et al. (2009) as cited by Fatoki (2011) held that access to financial capital is one of the determinants of the success of women MSEs and agreed that partnerships help a firm learn appropriate behaviours and therefore obtain needed support from key stakeholders and the general public.

4.5.2 Inferential Statistics of moderating influence of Strategic Partnerships on Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework and Performance of Women Owned MSEs

To test whether Strategic Partnerships (SP) significantly moderates the relationship between Performance and Entrepreneurial Orientation, hierarchical regression approach was used in which the variable Entrepreneurial Orientation (EO) was regressed on Performance, then the moderator Strategic Partnerships was entered into the model as a predictor and finally the interaction term (EO*SP) (Note that the variables were centred by subtracting their means to address the issue of Multicollinearity and so the reported VIFs are within the desired limits).

From Table 4.27, the F-change was significant on entering Entrepreneurial Orientation (F Change =4.793, p=0.029). On adding Strategic Partnerships into this model, the model did not improve (F Change=0.695, p=0.405) and when the interaction term was added to the model with Entrepreneurial Orientation and Strategic Partnerships, the model improved significantly (F Change=3.793, p=0.053).

Table 4. 27: Entrepreneurial Orientation and Strategic Partnerships Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
EO	.135 ^a	.018	.014	.17261	.018	4.793	1	258	.029
EO,SP	.145 ^b	.021	.013	.17271	.003	.695	1	257	.405
EO*SP	.188 ^c	.035	.024	.17178	.014	3.793	1	256	.053

The first model was significant ($F(1,258)=4.793$, $p=0.029$), the second model was not significant ($F(2,257)=2.741$, $p=0.066$), and the third model was significant ($F(3,256)=3.112$, $p=0.027$) as shown in Table 4.28.

Table 4. 28: Entrepreneurial Orientation and Strategic Partnerships ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig. (<i>p value</i>)
1	Regression	.143	1	.143	4.793	.029 ^a
	Residual	7.687	258	.030		
	Total	7.829	259			
2	Regression	.164	2	.082	2.741	.066 ^b
	Residual	7.666	257	.030		
	Total	7.829	259			
3	Regression	.275	3	.092	3.112	.027 ^c
	Residual	7.554	256	.030		
	Total	7.829	259			

a. Predictors: (Constant), EO, b. Predictors: (Constant), EO, SP

c. Predictors: (Constant), EO, SP, EO*SP, d. Dependent Variable: Performance

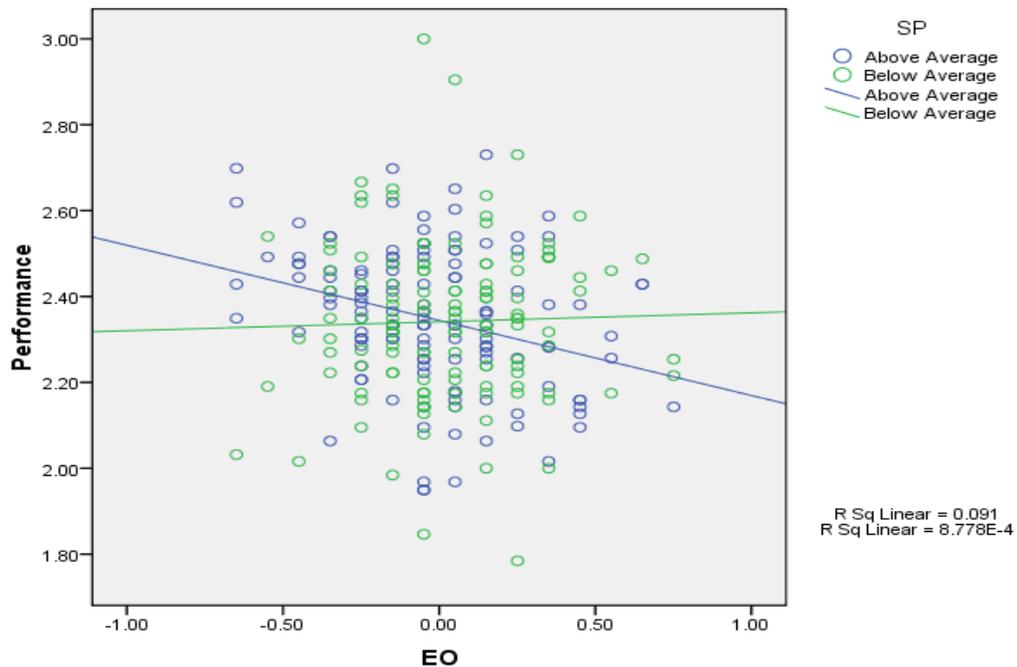
The final equation is Performance (Y) = 2.342 - 0.071EO - 0.013SP+0.232(EO*SP) as shown in Table 4.29. This indicates that for each unit increase in EO the Performance will decrease by an index of 0.071 when SP and the interaction of EO and SP are held constant. For each unit increase in SP Performance will decrease by an index of 0.013. When EO and the interaction of EO and SP are held constant. For each unit increase in the interaction term EO and SP Performance increases by an index of 0.232. when EO and SP are constant.

Table 4. 29: Entrepreneurial Orientation and Strategic Partnerships Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig. (<i>p value</i>)
		B	Std. Error	Beta		
1	(Constan)	2.346	.011		219.115	.000
	EO	-.086	.039	-.135	-2.189	.029
2	(Constan)	2.346	.011		218.986	.000
	EO	-.081	.040	-.127	-2.034	.043
	SP	-.026	.031	-.052	-.834	.405
3	(Constan)	2.342	.011		216.984	.000
	EO	-.071	.040	-.112	-1.785	.075
	SP	-.013	.032	-.026	-.406	.685
	EO*SP	.232	.119	.124	1.948	.053

a. Dependent Variable: Performance

In the scatter plots on Figure 4.6, the lines are crossing (Are not parallel) which indicates a possible moderation effect, which was later, confirmed in the moderation regression models given in chapter three.



Key: EO - Entrepreneurial Orientation

SP - Strategic Partnerships

Figure 4. 6: Entrepreneurial Orientation and Performance of WOE

Figure 4.6 indicated that performance of businesses declined when Strategic Partnerships was introduced into the enterprises. These findings agree with the scholarly works of (Allen, 2012) that partnerships have long term influence on the entrepreneurs and have the risk of an overwhelming influence on business performance as well as the entrepreneurial tendencies of the individual entrepreneur. The partnerships have been found to affect the decision making process in businesses and thereby diverting the key priorities of enterprises.

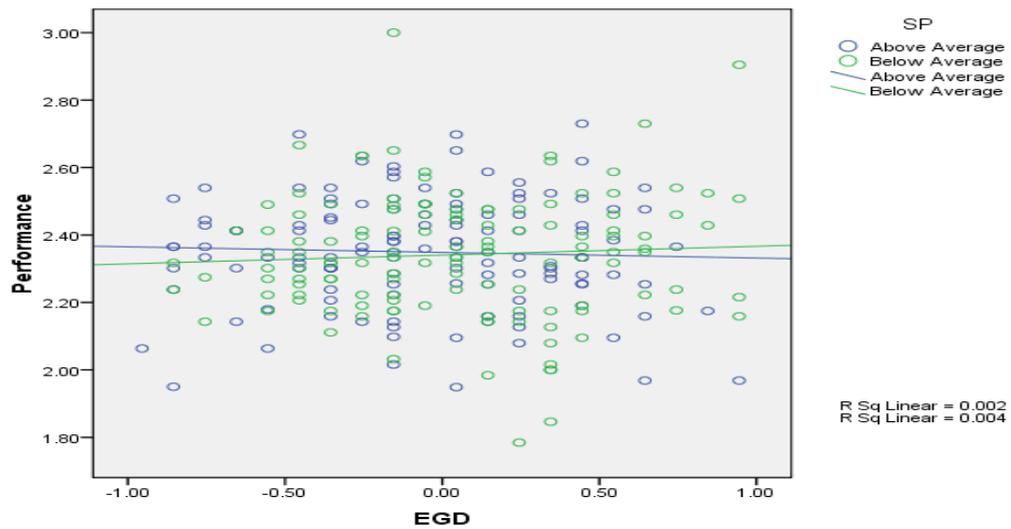


Figure 4. 7: Entrepreneurial Group Dynamics relationship with WOE's Firm Performance

Figure 4.7 indicated that when moderated with SP, the Performance of WOE's slightly declined. This indicated that groups could be imparting negatively on the Performance of the businesses. The group based approaches used by the government and leading institutions have been applauded. Participation in these groups fosters women's self-confidence and encourages them to exercise greater decision-making within the household and in their enterprises.

However, while the role of groups has been applauded by researchers and Strategic Partners in businesses, currently scholars have argued that there is a danger of groups and the partners to promote disunity and wrangles within the groups. When Strategic Partnership interventions are introduced into the group, the members of the groups experience pressure to conform to the demands of the partners thereby deterring the entrepreneurs group from critically appraising the view and opinions of others and hindering them to achieve the group objectives. (Mullins, 2010; Drummond, 2009).

To test whether SP significantly moderated the relationship between Y and EGDs, hierarchical regression approach was used in which the variable EGDs was regressed on Performance, then the moderator SP was entered into the model as a predictor and finally the interaction term EGDs*SP. The F-change was not significant on entering EGDs (F Change =0.022, p=0.882). On adding SP into this model, the model did not

improve significantly (F Change=1.404, p=0.237) and when the interaction term was added to the model with EGDs and SP, the model did not improve (F Change=0.758, p=0.385) this is as presented in Table 4.30.

Table 4. 30: Entrepreneurial Group Dynamics and Strategic Partnerships Model Summary

Predictor	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F	df1	df2	Sig. F Change
EGD	.009 ^a	.000	-.004	.17420	.000	.022	1	258	.882
EGD, SP	.074 ^b	.006	-.002	.17406	.005	1.404	1	257	.237
EGD*SP	.092 ^c	.008	-.003	.17414	.003	.758	1	256	.385

Using the scatter plot and the fact that the p-value is moving towards the significant level on introduction of SP moderator, there is some moderation effect, however on introduction of interaction term EGDs*SP the model is moving towards insignificant hence moderation effect cannot be confirmed. Linear relationship between EGDs and Performance does not exist.

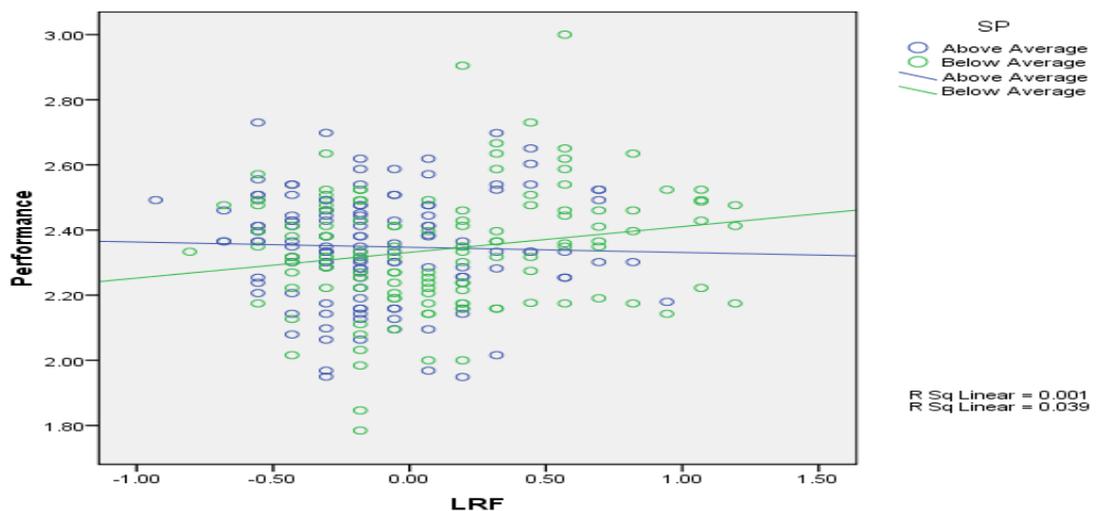


Figure 4. 8: Legal and Regulatory Framework relation with WOE's Firm Performance

When moderated with SP, the Performance of WOE's slightly declined as shown on Figure 4.8. This indicated that the Legal and the Regulatory Framework could be imparting negatively on the Performance of the businesses. However, experts in business believe that the nature of the regulation burden may affect the MSE competitiveness and productivity. The opponents of the regulation argue that it restricts business start-up, impedes successful performance and growth and contributes to business failure, (Amarjit & Biger, 2012; Mwirigi, Mukulu & Karanja, 2011).

Table 4. 31: Legal Regulatory Framework and Strategic Partnership Model Summary

Predictor	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F	df1	df2	Sig. F Change
LRF	.091 ^a	.008	.004	.17348	.008	2.154	1	258	.143
LRF, SP	.135 ^b	.018	.011	.17294	.010	2.602	1	257	.108
LRF*SP	.180 ^c	.032	.021	.17203	.014	3.742	1	256	.054

a. LRF Legal Regulatory Framework b. SP –Moderator-Strategic Partnership

To test whether Strategic Partnership significantly moderated the relationship between Performance and Legal and the Regulatory Framework, hierarchical regression approach was used in which the variable LRF was regressed on Performance, then the moderator SP was entered into the model as a predictor and finally the interaction term LRF*SP (Note that the variables were centred by subtracting their means to address the issue of Multicollinearity and so the reported VIFs are within the desired limits).

The F-change was not significant on entering LRF (F Change =2.154, p=0.143). On adding SP into this model, the model did not improve significantly (F Change=2.602, p=0.108) and when the interaction term was added to the model with LRF and SP, the model improved but not significantly (F Change=3.742, p=0.054) as shown in Table 4.31. Using the scatter plot and the fact that the p-value is moving towards the significant level, one could suspect some moderation effect which can only be

confirmed by another study. It is worth noting that linear relationship between LRF and Performance does not exist but the interaction term almost created one. It is evident that, this relationship is actually there if we use 10% as our level of significance but for the sake of this study, we choose to use 5% throughout the reporting.

Moderated Multiple Regression Model

To test whether Strategic Partnerships significantly moderates the relationship between Performance and the input variables, hierarchical regression approach was used in which the three independent variables; Entrepreneurial Orientation (EO), Entrepreneurial Group Dynamics (EGD) and Legal Regulatory Framework (LRF) were regressed on Performance then the moderator Strategic Partnerships was entered into the model as a predictor and finally the interaction terms EO*SP, EGD*SP and LRF*SP.

Table 4. 32: Model Summary of all the variables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1
1	.183 ^a	.033	.022	.17194	.033	2.944	3
2	.201 ^b	.040	.025	.17165	.007	1.875	1
3	.280 ^c	.078	.053	.16923	.038	3.450	3

The three models were significant (F(3,256)=2.944, p=0.034); (F(4,255)=2.684, p=0.032) and (F(7,252)=3.056, p=0.004) as shown in Table 4.33 and Appendix 7.

Table 4. 33: Moderated Multiple Regression

(Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal and Regulatory Framework and Strategic Partnerships ANOVA^a)

Model		Sum of Squares	df	Mean Square	F	Sig. (<i>p value</i>)
1	Regression	.261	3	.087	2.944	.034 ^b
	Residual	7.568	256	.030		
	Total	7.829	259			
2	Regression	.316	4	.079	2.684	.032 ^c
	Residual	7.513	255	.029		
	Total	7.829	259			
3	Regression	.613	7	.088	3.056	.004 ^d
	Residual	7.217	252	.029		
	Total	7.829	259			

a. Dependent Variable: Performance

b. Predictors: (Constant), EO, EGD, LRF

c. Predictors: (Constant), EO, EGD, LRF, SP

d. Predictors: (Constant), EO, EGD, LRF, SP, EO*SP, EGD*SP, LRF*SP

With respect to F-change, on adding SP into the model, the model did not improve significantly (F Change=0.172) and when the interaction terms EO*SP, EGD*SP, LRF*SP was added into the model, the model improved significantly (F Change=0.017) as shown in Table 4.34.

Table 4. 34: Model Summary of all Significant F Change of Moderated Multiple Regression Model

Model	Change Statistics	
	df2	Sig. F Change
1	256 ^a	.034
2	255 ^b	.172
3	252 ^c	.017

a. Predictors: (Constant), EO, EGD, LRF

b. Predictors: (Constant), EO, EGD, LRF, SP

c. Predictors: (Constant), EO, EGD, LRF, SP, EO*SP, EGD*SP, LRF*SP

4.5.3 Discussion of Findings for the moderating influence of Strategic Partnerships on Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework and Performance of WO MSEs

The study also set out to determine the moderating influence of Strategic Partnership on Entrepreneurial Orientation, Entrepreneurial Group Dynamics and Legal and Regulatory Framework on Firm Performance.

It was observed that there existed Strategic Partnerships between the government and financial intermediary partners in the provision of various financial support and intervention strategies to the WOE. The partnerships were formed between Ministry of Gender, Children and Social Development (MGCSA) and SACCOs, Micro Finance Institutions (MFIs) and banks on the other hand in loan application, processing and approvals.

From the inferential statistics, when EO, EGD and LRF were regressed on Performance then the moderator SP was introduced the three models were found to be significant ($F(3,256)=2.944, p=0.034$); ($F(4,255)=2.684, p=0.032$) and ($F(7,252)=3.056, p=0.004$) as shown in Table 4.33.

From this outcome, the null hypothesis (H_{04a}) that “*the Strategic Partnerships do not significantly moderate between Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework, and Performance of Women Owned MSEs in Embu County*” is **REJECTED**.

For the moderated multiple regression model with the interaction of the predictors with the moderator;

$$Y = 2.339 - 0.086EO + 0.003EGD + 0.039LRF - 0.022SP + 0.222(EO*SP) - 0.183(EGD*SP) + 0.184(LRF*SP)$$

Where: Y= Performance of the women Owned MSEs;

EO = Entrepreneurial Orientation;

EGD = Entrepreneurial Group Dynamics;

LRF = Legal and Regulatory Framework;

SP = Strategic Partnerships;

(EO*SP)= Interaction of Entrepreneurial Orientation and Strategic Partnerships;

(EGD*SP)= Interaction of Entrepreneurial Group Dynamics and Strategic Partnerships;

(LRF*SP)= Interaction of Legal Regulatory Framework and Strategic Partnerships;

This confirms the views posited by Morgan (2013) that Strategic Partnership leads to improved SME business growth, access to finance, access to markets, financial management, workforce management and corporate governance which resulted in increase in the overall revenue. Therefore, it was concluded that Strategic Partnership has a moderating effect on the relationship Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework and Performance of Women Owned MSEs in Embu County.

4.5.4 Ratings of all Study Variables

Table 4.35 shows the descriptive findings of ratings of all the study variables in relation to Business Performance.

On Entrepreneurial Orientation dimensions, the respondents agreed that risk taking and proactiveness enhanced Performance of business with a mean score of 4.32. On Entrepreneurial Group Dynamics, training of group members on technical skills had a mean of 4.40, implying that training women entrepreneurs is a critical component in Business Performance (Gathenya et al., 2013). On Legal and the Regulatory Framework, the respondents agreed that taxes levied by the government negatively affected Performance of the businesses at a mean of 4.37 and standard deviation of 0.792.

Table 4. 35: Ratings of Research Variables and Performance of WOE

Statement on all variables	Mean	Standard Deviation
1. My regular engagement in high risk business activities has greatly enhanced performance of the WOE	4.37	.797
2. My constant search and exploitation of market opportunities promote performance of WOE	4.37	.616
3. My constant change of products /services always leads to enhanced performance of WOE	4.22	.931
4. Training Group members on technical skills leads to improved Business Performance	4.43	.702
5. Networking and socializing positively enhances performance of my business	4.35	.631
6. Leadership skills learnt promote performance of WOE.	4.42	.625
7. The long procedures in getting business licenses negatively affects my Business Performance	4.20	.926
8. The inhibitive government policies on MSEs funding negatively influences my Business Performance	4.22	.738
9. The high Taxes levied on MSEs by the government negatively affects my Business Performance	4.37	.792
10. When banks/MFIs act as financial intermediary partners they enhance my business performance	3.97	.927
11. The reliability of SACCOs as financial intermediary partners promotes the performance of my WOE	3.81	1.108
12. The ease of getting Ministry's financial documents promotes performance of my WOE	4.14	.877

n=260

On Strategic Partnership variable, the respondents agreed that the intervention of Partners had an influence on Business Performance, they perceived that it was easy to get loan documents from the government ministry's' as it also promoted the performance of businesses, with a mean of 4.14 and a standard deviation of 0.877. A critical analysis of the inferential statistics model in this study revealed that when the moderator was introduced into the variables it was found to be significant on EO, EGDs and LRF when regressed against Performance.

4.6 Chapter Summary

In this chapter, results and findings based on the specific objectives have been presented in form of tables and figures as well as graphs. The chapter has provided a detailed account of descriptive and inferential analysis of all the variables of the study and a discussion on levels of agreement or disagreements with various scholars. Chapter five provides a detailed summary of the findings, conclusions as well as recommendations. Thereafter recommendations for improvement on each specific objective will be provided followed by recommendations for further studies.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study aimed at determining the influence of Entrepreneurial Orientation, Group Dynamics, Regulatory Frameworks, and Strategic Partnerships on the Performance of Women Owned Enterprises in Kenya. This chapter consists of three sections namely Summary, Conclusions, and Recommendations. The first section provides a summary of the major findings of the study with regards to the specific objectives. The second Section offers a discussion as well as the conclusions based on the specific objectives, while making use of the findings and results which were obtained in chapter four. The last sub-section provides the recommendations for improvement which are indeed based on the specific objectives. It also goes ahead to offer the recommendations for further studies.

5.2 Summary

The study collected data from Women Owned MSEs in Embu County, Kenya, to realize an adequate and representative response rate of 100%. The respondents were Women Owned MSEs where women were mainly involved in running the business within the target four (4) Sub Counties of Embu County, Kenya. The study found that the respondents were mostly within the age bracket of above 41 years (75%) with very few of them being within the youthful age of below 40 years (25%), an indication of the low involvement of the youths in MSEs. Most of these were observed to have secondary or certificate levels of education. Most of these businesses were observed to be 5-10 years in age.

Despite most of the businesses being 5-10 years old, most had only acquired loans twice in their lifetime. The Ministerial or government Channel of loan access was observed as being preferable with very few MSEs opting for the Financial Intermediary channels. Most of these loans acquired were used in the business though a substantial amount was observed to be diverted to other uses. The loans received within the women MSEs were used to fund: marketing of their products;

increasing customers; training; product diversification; increasing assets; creating networks and more products and services. This confirms the views posited by (Halkias et al., 2011) that the proceeds from WEF loan assist business projects with a direct impact on the quality of business undertakings they offer.

The specific Objective One sought to investigate the influence of Entrepreneurial Orientation on the Performance of Women Owned Enterprises in Embu County. Entrepreneurial Orientation was found to be a multidimensional construct, applied at the organizational or entrepreneur's level, which characterizes entrepreneur's or firm's entrepreneurial behaviour and includes one or several dimensions. The study explored the key aspects of Entrepreneurial Orientation namely; innovation; Proactiveness; risk taking; Autonomy and Competitive Aggressiveness. The descriptive analysis established that most of the WOE's (58.8%) strongly agreed that they always engaged in high risk business activities, while 33.1% agreed, 2.3% were neutral, 4.2% disagreed and 1.5% strongly disagreed. The study established that Entrepreneurial Orientation played a significant role in WOE's in Embu County in that it was found to be associated with increased profits, sales volume, increase in market share and asset acquisition. According to the inferential statistical analysis, the p-value was found to be less than 0.05 ($p=0.029$; $F= 4.793$) indicating that the enterprises Entrepreneurial Orientation was statistically significant in influencing the Performance of WOE's at 95% confidence level. It was observed that the performance have a coefficient index of -0.086 against Entrepreneurial Orientation, an indication that there is an influence of Entrepreneurial Orientation on performance of women owned MSE's. This confirms that the ability of Entrepreneurial Orientation to influence Performance of WOE's as observed in goodness of fit model was statistically significant.

The study sought to determine the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises in Embu County. The study explored the key aspects of Entrepreneurial Group Dynamics, namely, Entrepreneurial Training, Business Networking and Leadership Skills. The Women studied were found to perform better when working in groups than working alone. (Robbins, Judge & Campbell, 2010; Lussier & Achua, 2007). These three (3) aspects of entrepreneurial Group Dynamics, namely: training; networking/socializing and

entrepreneurial leadership were explored to determine their relationship with the Performance of WO MSEs. Group dynamics provide for specific social benefits such as mutual self-help and the creation of social networks.

The study observed that the women while working in groups faced diverse challenges such as: leadership wrangles; lack of team work; diverse opinions; lack of empowerment; identifying new sources of raw materials; misappropriation of finances; and, diversion of loans.

Training of group Members was found to instil business management and leadership skills in WOE (97%); promote networking and socializing (98%); increased knowledge and experiential sharing in WOE (95%).

The women highlighted some of the benefits of joining group to include: pooling of resources; access to finances; sharing of ideas; access to markets; access to training; proper decision making; and networking.

The p - value realized in regression ANOVA model showed the level of significance of the independent variables on the dependent variable. According to the output, the p-value was greater than 0.05 ($p=0.882$; $F= 0.022$) indicating that the Entrepreneurial Group Dynamics is statistically insignificant in influencing the Performance of WOE at 95% confidence level. This confirms that the ability of Entrepreneurial Group Dynamics to influence Performance of WOE as observed in goodness of fit model is statistically insignificant.

The specific Objective Three was to establish the influence of Legal Regulatory Framework on the Performance of Women Owned Enterprises in Embu County. The study explored the critical role that the government was playing in designing the rules and regulations of the society that allows enterprises and markets to thrive. The study found out that the relevant policies that facilitates and guides various economic transactions and undertakings had been put in place. This referred to all measures and interventions undertaken by National and County governments bodies which affected Business Performance including taxation,licencing and business related policies (GOK, 2012; GOK, 2013; Amarjit & Biger, 2012; Mwirigi, Mukulu & Karanja, 2011). The study showed that regulations were necessary in providing

suitable trading conditions and developing levels of business trust which could benefit the MSEs Development, (Atherton et al., 2008, Walter & Smallbone, 2006). The problem of regulation for business owners was found to involve the diversion of scarce resources away from productive, profit generating activities and towards the discovery, understanding of and compliance with regulations.

The descriptive analysis revealed that: there were bureaucratic procedures in getting Trade Licences (83%); there were many Licences required for business operations (81%); high taxes were levied to the MSEs (81%); government cushions MSEs from imports (71%); there were inhibitive government policies on MSEs funding (74%); and the repayment period of loan should be increased (99%).

From the goodness of fit analysis presented in Table 4.24, it was observed that Performance had a coefficient index of 0.037 when regressed against Legal and Regulatory Framework. This is an indication that there was a relationship between the Performance of Women Owned Enterprises and the Legal and Regulatory Framework. This was further confirmed by a coefficient of determination of 0.011 observed in the model, an indication that Legal and Regulatory Framework had the ability to explain 1.1% of the variability in Performance of Women Owned Enterprises in Embu County.

The specific Objective Four was to determine how the Strategic Partnerships moderates on the relationship between Entrepreneurial Orientation, Entrepreneurial Group Dynamics, Legal Regulatory Framework, and the Performance of Women Owned Enterprises .In this study, Strategic Partnership was studied as a moderating variable between the independent and dependent variable. The descriptive analysis of the study established that there existed Strategic Partnerships between the government and Financial Intermediary Partners in the provision of various financial support and intervention strategies to the WOE. The partnerships were formed between Ministry of Gender, Children and Social Development (MGCSD) and SACCOs, Micro Finance Institutions (MFIs) and banks on the other hand in loan application, processing and approvals. The partnership aimed at creating a close collaborative relationship with the intent of accomplishing mutually compatible goals that would be difficult for each to accomplish alone (Allen 2012; Pearce &

Robinson, 2009). the respondents agreed that banks act as FIPs with a mean of 1.75 and a standard deviation of 0.867 and disagreed that it takes long to get loan approval from bank with a mean of 3.37 and a standard deviation of 1.163. Strategic Partnership was included in the study model. There is a significant influence of Strategic Partnership on the relationship between Firm Performance, Entrepreneurial Orientation, Entrepreneurial Group Dynamics and Legal and Regulatory Framework.

The inferential statistics indicated that for EO, the moderation effect was significant ($p=0.029$) but for EGDs the interaction was insignificant ($p=0.385$) and for LRF it was almost significant ($p=0.054$).

5.3 Conclusion

The study concludes that Entrepreneurial Orientation, have a positive impact on Firm Performance of Women Owned MSEs. The women exhibited entrepreneurial tendencies such as risk taking, innovativeness, autonomy, competitive aggressiveness and proactiveness in enhancing the Business Performance. This provided the Women Owned MSEs with a competitive edge by enabling the continued use of accumulated knowledge (Bjuggren & Sund, 2001).

The study concludes that Women Owned MSEs that are seeking to improve their performance in the long run should ensure that they are honing their entrepreneurial skills and aligning their businesses with positive Entrepreneurial Orientation so as to gain better Performance. Wiklund and Shepherd, (2003) observed, the business owner have a high level of involvement and influence of the day to day running of the businesses, hence their Entrepreneurial Orientation is a key factor in determining the success of the firm.

The study found that Entrepreneurial Group Dynamic was a key characteristic of most of the businesses in the study region with most of these businesses being observed to apply various Entrepreneurial Group Dynamic strategies in their operations. The study concludes that entrepreneurial training, leadership skills and networking, key indicators in Entrepreneurial Group Dynamics have a significant effect on the Performance. The study concludes that for firms to further improve their performance, they ought to improve Entrepreneurial Group Dynamics which

would provide for specific economic and social benefits such as mutual self-help, the creation of social networks and effective Business Performance (Roomi, 2009).

Additionally, the study found that the influence of Legal and Regulatory Framework on Firm Performance was not significant. It was observed that Legal and Regulatory Framework for Women Owned MSEs have a little impact on the Business Performance.

This led to the conclusion that Legal and Regulatory Framework has a positive influence on Performance. Regulation of business activity is a key issue confronting national governments and policy makers. Most policy makers views them to have both positive (Oludele & Kinfack, 2012) or negative impact (Mwirigi, Mukulu & Karanja, 2011) on the performance of the institutions. In line with the study findings, Harris, (2002) posited that the Legal and Regulatory Framework have a positive impact on firm performance when it is created in a way that it supports the development of a sector. Therefore, for women MSEs to be affected positively by Legal and Regulatory Framework, the government creates a supportive regulatory environment.

The study concludes that Strategic Partnership had a moderating influence on the Entrepreneurial Orientation, while the moderating effect of Strategic Partnership was insignificant and the moderating effect of Strategic Partnership on Legal and Regulatory Framework was near significant. Morgan (2013) posits that Strategic Partnership leads to improved SME business growth, access to finance, access to markets, financial management, workforce management and corporate governance which resulted in increase in the overall revenue.

5.4 Recommendations

The study found that Entrepreneurial Orientation is one of the key determinants of Performance in Women Owned MSEs. The study therefore recommends that key stakeholders in business and enterprise development should support the introduction of training initiatives to women entrepreneurs so as to calculate the entrepreneurial skills required to enhance the Women Owned MSEs performance. Women Owned MSEs should also consider involvement in entrepreneurship trainings by taking the

initiative of getting involved in various training programs on the same. There is need for the Government of Kenya at the National and County Level, Private Sector, the Women Entrepreneurs and all Stakeholders to partner and create opportunities for women to: form Trade Association; attend seminars and conferences and have publications and institutions that provide courses that aid the entrepreneurs acquire Entrepreneurial Orientation. This will assist Women entrepreneurs to stay abreast of industry changes, instil Entrepreneurial Culture and maintain a competitive edge for effective Business Performance.

Given that Women Owned Enterprises are key to economic development; it is essential for government agencies and other stakeholders to create an enabling environment in terms of policies that supports Entrepreneurial Group Dynamics so that their efforts continue to bear fruits within the Women Owned Enterprises. By understanding the Entrepreneurial Group Dynamics and its impact on Performance, women entrepreneurs will be more willing to form groups that would enable them to run entrepreneurial ventures and hence be developed.

The study found that the Legal and Regulatory Framework for Women Owned MSEs is supportive to their operations hence positively affects performance of Women Owned MSEs. From these findings, the study recommends that the Legal and Regulatory Framework ought to be improved by the government especially in relation to development and implementation of entrepreneurship policies which would further lead to more enhanced performance in this relation. A look at the negatively impacting regulatory framework on firm performance is recommended by the study to further bring more clarity to this front.

The study found a moderating effect of Strategic Partnership on the Entrepreneurial Orientation, Entrepreneurial Group Dynamics and Legal and Regulatory Framework on Performance of Women Owned Enterprises. The study therefore recommends application of the four factors in Women Owned Enterprises which would improve the institutions in the long run. The management of Women Owned firms should therefore be encouraged to foster Strategic Partnership with the government, SACCOs, Banks and Micro financial institutions.

The Strategic Partnership would facilitate Entrepreneurial Orientation; promote Entrepreneurial Group Dynamics and enhance a conducive Legal Regulatory Framework that would positively impact the success of the firms. Other institutions especially those mandated to train business leaders and managers should consider inclusion of training on Strategic Partnership, Entrepreneurial Orientation, Entrepreneurial Group Dynamics and Legal Regulatory Framework in conjunction with the already existing trainings, which would enable their participants to apply their knowledge in businesses when employed or when they become business owners, hence foster success of women owned businesses and reduce the failure of the same.

5.5 Areas of Further Studies

Research on influence of Strategic Partnership, Legal and Regulatory Framework, Entrepreneurial Group Dynamics and Entrepreneurial Orientation on Performance offers new contributions in improving on available information on the success of Women Owned MSEs. It could provide a road map of identifying key success factors which could be used by MSEs in search of improved performance or sustainability. This study therefore suggests further studies to be carried out to determine the impact of Strategic Partnership, Legal and Regulatory Framework, Entrepreneurial Group Dynamics and Entrepreneurial Orientation on the competitiveness of the WOE's.

It was observed that Legal and Regulatory Framework had statistical significance on WOE's performance when it was moderated with Strategic Partnership. However, earlier studies have linked Legal and Regulatory Framework to declines in performance. The study therefore suggests further studies to be carried out to solve this point of contention and bring out the real relationship in various environmental and sector settings.

The study found that a Strategic Partnership, Legal and Regulatory Framework, Entrepreneurial Group Dynamics and Entrepreneurial Orientation had an influence on business performance. The study therefore recommends an evaluation of this relationship to further bring out the model in varying environmental settings in order to integrate them into entrepreneurship theories. Further studies on this relationship are thusly recommended.

The study contributes to the body of knowledge on performance of WOE's by providing additional empirical evidence between Entrepreneurial Orientation, Group Dynamics, Legal Regulatory Framework, Strategic Partnership and the Performance of WOE's.

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APPENDICES

Appendix i: Questionnaire

Serial No.....

Section 1: General Information on the respondent

Please tick in the box the appropriate responses and fill in the blank where applicable

1. Name of the respondent (Optional)
2. Your Age bracket: () 21-30 () 31-40 () 41-50 () 51-60 ()
Above 60
3. What is your highest academic qualification?
() None () Primary () Secondary () Certificate
() Diploma () Degree () Post Graduate
4. How **old is your business?** -----Years
5. How many **Times** has the enterprise benefited from the Women Enterprise Fund loans? -----
6. Which **Channel has** your enterprise used to access the Women Enterprise Fund Loan?

() Ministerial Channel () Financial Intermediary Partners (FIPs)

() Both Ministry and FIPs () Others Specify-----
7. Give your specific area /sub county of business operation?

() Manyatta () Runyenjes () Mbeere North

() Mbeere South

Section 2: Performance of Women Owned MSEs Owing to WEF loans

8. Please mark the most appropriate answer on how the factors indicated on the left side of the Table have changed since you started receiving WEF loans.

Enter A if it Increased, B if it Remained the Same and C if it Decreased as the business moved from one year to the next.

Performance of women owned MSEs	2010	2011	2012	2013	2014
Net profit					
Cash flow stability					
Sales Volume					
The number of Employees					
Assets Acquisition					
Market Share					
Sales Growth Rate					

9. How did you **utilise The Loan?**

Invested in other business Invested in this business

Used it in other family responsibilities Training

Others

(specify).....

..

10. What has been the firm's **total number of full time employees for the last five (5) years?**

2010	2011	2012	2013	2014

11. What has been the firm's **Performance in the last five (5) years?**

(KINDLY USE THE FOLLOWING KEY E.G 1 FOR KSH 1-10,000)

Ksh	Ksh	Ksh	Ksh	Ksh
1-10,000	10001-20,000	20,001-30,000	30001-40,000	40,001-OR MORE
1	2	3	4	5

Item	2010	2011	2012	2013	2014
Sales volume					
Cost of sales					
Assets					
Equity					

12. Did you **Start the Business** in this location?

Yes No

13. If no, where was the **Business Located Before?**

At home Open Air/Roadside Hawking Another Location

Others

(specify).....

14. In your view, how else has your organization grown as a result of WEF loan?-----

Section 3: Entrepreneurial Orientation

15. To what extent do you agree with the following statement about your business?

(Circle your response)

SA =I Strongly Agree, A =I Agree, N =Neutral, D =I Disagree SD=I Strongly Disagree

Entrepreneurial Orientation	Responses
I always engage in high risk business activities	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
I aggressively seek and exploit market opportunities in my business operations	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
I have new products/services all the time in my business	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
I always have an opportunities to learn new business ideas	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
As an Entrepreneur am rarely in control in WOE's	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
I am always very certain on decisions I make concerning the future of my business	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
I rarely anticipant future wants and needs in the market	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
I always respond to what the competitors bring in the market	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

16. What **Encourages** you to remain in this business?-----

17. How often do you **Improve your Business Products/Services** -----

Section 4: Entrepreneurial Group Dynamics

18. To what extent do you agree with the following statement about your business?

(Circle your response)

SA =I Strongly Agree, A =I Agree, N =Neutral, D=I Disagree SD=I Strongly Disagree

Entrepreneurial Group Dynamics	RESPONSES
Training of group members is based on technical issues	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Training of the group members instils business management skills in WOE's	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Groups always promote Networking and socializing in WOE's	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Encouragement from Groups members strengthen the WOE's	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Different professions in the group increases Knowledge and experiential sharing in WOE's	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Groups rarely promote Networking and socializing in WOE's	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
In groups women always develop Entrepreneurial Leadership skills	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

i. What are the **Benefits** of forming groups? -----

ii. What are some of the **Challenges** faced in your groups?-----

In your view, what other Entrepreneurial Group Dynamics manifestation can affect performance of Women Owned MSEs?-----

Section 5: Legal and Regulatory Framework

19. To what extent do you agree with the following statement about your business?

(Circle your response)

SA=I Strongly Agree, A=I Agree, N=Neutral, D =I Disagree SD=I Strongly Disagree

Legal and Regulatory Framework	RESPONSES
There are bureaucratic procedure in getting trade license	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
There are many licenses required for business operation	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
There are high Taxes levied to the MSEs	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Government cushions MSEs from imports	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
There are inhibitive Government policies on MSEs funding	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Repayment period of WEF loan should be increased	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Interest rates on WEF loan should be increased	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

In your view what other factors on Legal and Regulatory Framework can assist Women Owned MSEs Performance? -----

Section 6: Strategic Partnerships

20. Please mark the extent to which you agree the factors of Strategic Partnerships below fairly has influence on Entrepreneurial Orientation, Group Dynamics LRF, and the Performance of Women Owned MSEs.

(Circle your response)

SA =I Strongly Agree, A =I Agree, N =Neutral, D=I Disagree SD=I Strongly Disagree

Strategic Partnerships	Responses
Banks act as financial intermediary partners	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Its always Ease to get finance (documents required) from bank as an intermediary partner	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
It takes long to get loan approval from bank as an intermediary partner	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
SACCOs are reliable financial intermediary partners	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Its always Ease to get finance (documents required) from SACCOs as an intermediary partner	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
It takes long to get loan approval from SACCOs as an intermediary partner	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Micro Finance Institutions (MFIs) act as financial intermediary partners	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Its always Ease to get finance (documents required) from MFIs as an intermediary partner	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
It takes long to get loan approval from MFIs as an intermediary partner	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Ministry of Gender, Children and Social Development (MGCSD) act as financial intermediary partners	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Its not always Ease to get finance (documents required) from MGCSD as an intermediary partner	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
It takes a long period to get loan approval from MGCSD as an intermediary partner	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

In your view what could be the other necessary **Strategic Partnerships for Performance of Women Owned MSEs**.....

.....

Section 7: Rating of all the variables of the study

21. To what extent do you agree with the following statement about your business?

(Circle your response)

SA=I Strongly Agree, A =I Agree, N=Neutral, D=I Disagree SD=I Strongly Disagree

No.	VARIABLE RESPONSES	RATINGS
1.	Entrepreneurial Orientation	
a)	My regular engagement in high risk business activities has greatly enhanced performance of the WOE's (Risk Taking)	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
b)	My constant search and exploitation of market opportunities promote performance of WOE's (Proactiveness)	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
C)	My constant change of products /services always leads to enhanced performance of WOE's (Innovation)	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2	Entrepreneurial Group Dynamics	
a)	Training Group members on technical always leads to improved Business Performance (Entrepreneurial Training)	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
b)	Groups business networking and socialising positively enhances performance of my business (Entrepreneurial Networking)	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
c)	The entrepreneurship leadership skills learnt in the groups always promotes performance of WOE's.(Entrepreneurial Leadership)	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3	Legal and Regulatory Framework	
a)	The long procedures in getting business licences always negatively affects my Business Performance (Trade Licences)	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
b)	The inhibitive government policies on MSEs funding always negatively influences my Business Performance (Government Policies)	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

No.	VARIABLE RESPONSES	RATINGS
c)	The high Taxes levied on MSEs by the government always negatively effects my Business Performance (Taxes)	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.	Strategic Partnerships	
a)	When banks/MFIs act as financial intermediary partners they always enhance my business performance	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
b)	The reliability of SACCOs as financial intermediary partners always promotes the performance of my WOE's (SACCOs)	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
c)	The ease of getting Ministry's financial documents always promotes performance of my WOE's	SA A N D SD <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

22. What Future Plans do you have for your business?

- () Build own premise () Expand in other areas
- () Build own premises to accommodate the business () Become a wholesaler
- () Increasing stock
- () Others (specify).....

23. From what you have experienced with the loan received from Women Enterprise Fund, what Advice would you give to: -

i) Potential Loanees

- () Use the loan wisely ().Must be in business before taking the loan
- () Take a loan that the business is able to pay back .
- () Others (specify).....

ii) **The Financial Intermediary Partners**

Reduce interest rate Prolong grace period Increase repayment period

Consider start-up people for a loan Offer training

Others (specify).....

THANK YOU VERY MUCH FOR YOUR CO-OPERATION

Appendix ii: Interview Guide for Entrepreneurs

1. Entrepreneurial Orientation

- a) What was your occupation before venturing into this business?
- b) Why did you start this business?
- c) What encourages you to remain in this business?
- d) How often do you improve your business/ products?

2. Entrepreneurial Group Dynamics

- a) What are the strengths of forming or being in groups?
- b) What are the weaknesses of groups?
- c) What are the conditions for group development?
- d) What do you think should be done to improve your group's performance?
- e) Do you think your group assists in your business growth? If yes, how?

3. Legal Regulatory Framework

- a) What do you require to register your business?
- b) Who should provide you with information required to register the business?
- c) What legal requirements do you need to fulfil in your business?
- d) Do you think the government is doing enough to help you carry out your business, explain?

4. Strategic Partnerships

From what you have experienced with the loan received from WEF, what advice would you give to: -

The Financial Intermediary Partners

- a) Reduce interest rate
- b) Prolong grace period
- c) Increase repayment period
- d) Consider start-up people for a loan
- e) Offer training

f) Others
 (specify).....

Performance of Businesses

What has been the firm’s sales volume and total number of full time employees for the last five (5) years?

Year	Full time Employees	Sales Volume (Ksh)	Cost sales (Ksh)	of Assets (Ksh)	Equity (Ksh)
2010					
2011					
2012					
2013					
2014					

Did you start the business in this location?

Yes No

If no, where was the business located before?

At home

Open air/roadside

Hawking

Another location

Others (specify).....

THANK YOU VERY MUCH FOR YOUR CO-OPERATION

Appendix iii: Letter of Introduction



**JOMO KENYATTA UNIVERSITY
OF
AGRICULTURE AND TECHNOLOGY**

**DEPARTMENT OF ENTREPRENEURSHIP, TECHNOLOGY, LEADERSHIP AND
MANAGEMENT**

OFFICE OF THE CHAIRPERSON
P. O. BOX 62000
NAIROBI

JKU/3/114/22

DATE: 20TH JANUARY, 2014

To whom it may concern:

RE: RESEARCH PROJECT FOR: ANN TERESA WANJIRU MWAURA HD413-0008/2008

This is to introduce to you **Ms. Mwaura** who is a student pursuing PhD. in Entrepreneurship in the Department of Entrepreneurship, Technology, Leadership and Management in the School of Entrepreneurship, Procurement and Management at Jomo Kenyatta University of Agriculture and Technology.

The student is currently undertaking a PhD. Research on: **“Influence of Entrepreneurial Orientation, Group Dynamics, Regulatory Frameworks, and Strategic Partnerships on Performance of Women Owned Enterprises in Kenya”** in partial fulfilment of the requirements for the programme.

The purpose of this letter is to request you to give the student the necessary support and assistance to enable her obtain the necessary data for the research. Please note that the information that will be given is purely for academic purposes and will be treated with strict confidence.

Thank you.

Yours Sincerely,




Dr. Alice Simiyu
Research Project Coordinator, ETLM Department

JKUAT is ISO 9001:2008 & ISO 14001:2004 Certified
Setting Trends in Higher Education, Research and Innovation

Appendix iv: Research Authorization Letter



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349, 310571, 2219420
Fax: +254-20-318245, 318249
Email: secretary@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No.

Date:

15th September, 2015

NACOSTI/P/15/77630/7920

Ann Teresa Wanjiru Mwaura
Jomo Kenyatta University of
Agriculture and Technology
P.O. Box 62000-00200
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Influence of entrepreneurial orientation, group dynamics, regulatory frameworks and strategic partnerships on performance of women owned enterprises in Kenya,”* I am pleased to inform you that you have been authorized to undertake research in **Embu County** for a period ending **15th September, 2016**.

You are advised to report to **the County Commissioner and the County Director of Education, Embu County** before embarking on the research project.

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


DR. S.K. LANGAT, OGW
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Embu County.

The County Director of Education
Embu County.

Appendix v: Research Authorization Permit

CONDITIONS

1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officers will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice

[Signature]



REPUBLIC OF KENYA



National Commission for Science,
Technology and Innovation

RESEARCH CLEARANCE
PERMIT

Serial No. A **6606**

CONDITIONS: see back page

Appendix vi: Research Authorization Permit Details

THIS IS TO CERTIFY THAT:

MS. ANN TERESA WANJIRU MWAURA
of JOMO KENYATTA UNIVERSITY OF
AGRICULTURE AND TECHNOLOGY,
62000-200 Nairobi, has been permitted
to conduct research in Embu County

on the topic: INFLUENCE OF
ENTREPRENEURIAL ORIENTATION,
GROUP DYNAMICS, REGULATORY
FRAMEWORKS AND STRATEGIC
PARTNERSHIPS ON PERFORMANCE OF
WOMEN OWNED ENTERPRISES IN
KENYA.

for the period ending:
15th September, 2016

.....
Applicant's
Signature

Permit No : NACOSTI/P/15/77630/7920

Date Of Issue : 15th September, 2015

Fee Received :Ksh 2000



.....
Director General
National Commission for Science,
Technology & Innovation

Appendix vii: Moderating Influence of Strategic Partnership on Study

Variables

Model Summary Coefficients^a of all the variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
		B	Std. Error	Beta			
1	(Constant)	2.346	.011		219.963	.000	
	EO	-.103	.040	-.162	-2.558	.011	.942
	EGD	-.001	.026	-.002	-.024	.981	.899
	LRF	.051	.026	.126	1.930	.055	.882
2	(Constant)	2.346	.011		220.339	.000	
	EO	-.098	.040	-.154	-2.420	.016	.934
	EGD	.001	.026	.003	.054	.957	.896
	LRF	.059	.027	.147	2.188	.030	.839
	SP	-.044	.032	-.088	-1.369	.172	.915
3	(Constant)	2.339	.011		212.349	.000	
	EO	-.086	.040	-.135	-2.130	.034	.916
	EGD	.003	.026	.008	.118	.907	.895
	LRF	.039	.028	.096	1.368	.172	.748
	SP	-.022	.033	-.044	-.672	.502	.847
	EO*SP	.222	.123	.119	1.808	.072	.846
	EGD*SP	-.183	.082	-.150	-2.236	.026	.811
LRF*SP	.184	.087	.150	2.109	.036	.727	

$$Y = 2.339 - 0.086EO + 0.003EGD + 0.039LRF - 0.022SP + 0.222(EO*SP) - 0.183(EGD*SP) + 0.184(LRF*SP)$$

Appendix viii: WEF Embu County Respondent's Information



Eastern Region

Address: P.O. Box 200 Code 60100, Embu

Tel. 254 068-31466

Ann T W Mwaura Kangethe

Kenya School of Government Embu

P.O. Box 402 60100

EMBU

Date: 6th September 2013

RE: WOMEN ENTERPRISE FUND – EMBU COUNTY INFORMATION

In reference to your letter dated 5/09/2013.

Women Enterprise Fund is a Semi-Autonomous Government Agency under the Ministry of Devolution and Planning (formerly under Ministry of Gender, Children and Social Development). The Fund is a flagship project under the social pillar in Vision 2030. The Fund supports women entrepreneurs as individuals and through Self Help Groups. The capacity building interventions include provision of affordable credit, trainings, marketing promotion, business linkages and infrastructure support. Groups are required to have been registered by the respective district Gender and Social Development departments and be operating bank accounts. There are officers stationed at every constituency (Gender and Social Development department offices) who are tasked with mobilization and follow up of our beneficiaries. They are:

FIELD CONTACTS

	WEF Officer	Constituency	Mobile No.	Email Address
1	Peter Njeru Ngaru	Mbeere North	0720637334	pnjeru@rocketmail.com
2	Rosaline Mwosha	Manyatta	0724888809	rmwosha@yahoo.com
3	Terry Njeri Njue	Runyenjes	0721967175	terrynjeri49@yahoo.com
4	Vacant	Mbeere South	---	---

An officer will soon be recruited and posted to Mbeere South constituency that fell vacant recently.

So far the Fund has financed 506 groups in Embu County through the Constituency-Women Enterprise Scheme (C-WES) out of which 51 groups have been financed twice and 2 groups financed thrice. The total amount disbursed is **Ksh. 30.524 million**. This is distributed in the four constituencies as follows:

LOAN UPTAKE – No. of Groups

	Constituency	No. of Groups 1 st Cycle Loans	No. of Groups 2 nd Cycle Loans	No. of Groups 3 rd Cycle Loans
1	Mbeere North	110	8	0
2	Manyatta	201	24	1
3	Runyenjes	122	14	1
4	Mbeere South	73	5	0
	Total	506	51	2

LOAN UPTAKE – No of Women Funded

	Constituency	1 st Time Borrowers	2 nd Time Borrowers	3 rd Time Borrowers
1	Mbeere North	1650	120	0
2	Manyatta	3015	360	15
3	Runyenjes	1830	210	15
4	Mbeere South	1095	75	0
	Total	7590	765	30

LOAN UPTAKE – Amount Disbursed

	Constituency	Amount Disbursed
1	Mbeere North	6,300,000
2	Manyatta	12,539,500
3	Runyenjes	7,534,700
4	Mbeere South	4,150,000
	Total	30,524,200

Loan repayment recorded for the County is 74% varying from 92% in Runyenjes to 58% in Mbeere South constituency. Initial misleading statements from some political leaders at inception to the effect that beneficiaries are not obliged to repay public funds led to very low repayment rates in Mbeere North and South.

LOAN REPAYMENT

	Constituency	Repayment Rate
1	Mbeere North	69%
2	Manyatta	75%
3	Runyenjes	92%
4	Mbeere South	58%
	Total	74%

A total of 280 women groups and 4,655 women beneficiaries have gone through the Fund's training programme distributed as follows:

TRAINING

	Constituency	No. of Groups Trained	No. of Women Beneficiaries Trained
1	Mbeere North	67	1,088
2	Manyatta	87	1,550
3	Runyenjes	82	1,442
4	Mbeere South	44	575
	Total	280	4,655

The Fund has partnered and provided funds to the following financial intermediaries with presence in Embu County in an effort to reach out to individuals or Women Owned Enterprises or other organized entities such as women groups and women owned companies:

1. Kenya Industrial Estate Ltd.
2. K-Rep Development Agency
3. Mbeere North Multipurpose Cooperative Society Ltd.
4. African Women Foundation
5. Universal Traders Sacco
6. Business Initiative Management Assistance Service (BIMAS)
7. Co-operative Bank of Kenya
8. Family Bank Limited
9. Small and Micro Enterprise Programme (SMEP)
10. Bright Enriched Empowerment Program (BEEP)
11. National Cooperative Housing Union Ltd
12. Community Vision
13. Jamii Sacco Society Ltd

The Fund projects to reach out to 128 new groups to be funded and 64 groups to be re-funded in the year 2013/14.

Joseph O. Oyowo

Regional Credit Coordinator,

Mobile 0722 508472

Email: joseph.oyowo@wef.co.ke