Influence of the Characteristics of Women Entrepreneurs on the Performance of Their Enterprises: A Study of Kenya Industrial Estates Clients in Narok Town

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Abstract: This study was to explore the influences arising from any personal entrepreneurial characteristics towards success of their businesses. The study population consisted of Narok Town on Kenya Industrial Estates (KIE) women beneficiaries with a sample size of 76 women who have benefited from KIE Ltd products within Narok Town for the last five years. Questionnaires, interviews, observations and record/document analysis to collect data that was processed using Statistical Package for Social Sciences (SPSS). The study found out that women exhibited personal entrepreneurialship that has aided the growth of their enterprises over time as the study revealed that 98.5% started the business on their own and are still successully operating.

Keywords: characteristics, influence, Kenya Industrial Estates, Narok, personal entrepreneurial, women beneficiaries.

1. INTRODUCTION

1.1 Background:

Women-owned enterprises make substantial contributions to economic growth, and their number is increasing at a faster pace than men’s businesses (Niethammer 2013). Around the developing world, women own approximately 8 to 10 million small and medium enterprises (SMEs), which account for 31 to 38 percent of all SMEs in emerging markets (IFC and GPFI 2011). Overall, entrepreneurship represents a large proportion of women’s paid work in many countries, and is thus a critical avenue through which to support women’s economic empowerment (de Mel et al. 2012). Women’s entrepreneurship holds strong potential for spurring economic opportunity and job creation in developing countries. In addition, growing evidence suggests that economically empowering women may reap substantial benefits for the health and wellbeing of families and communities (World Bank 2011). Women entrepreneurs have crucial role to play in the social and economic development of our country despite them being traditionally viewed as objects that lack abilities of doing things on their own. A good number of women have been able to become entrepreneurs through their ability to seek opportunities and turning them to profitable businesses. Majority of these women entrepreneurs start their businesses in the informal sector economy. These businesses are operated informally in the sense that they are engaged in several categories of businesses. These categories include trade, manufacturing and service-oriented businesses.
The women-owned businesses have continued to exist despite economic constraints. They have also managed to provide good leadership to their businesses. The role of women entrepreneurs has not been properly documented especially in Kenya. In more than two decades, the experience of Kenya in the process of economic development has not been encouraging and has resulted in low rate of most economic indicators (Gakure 2001). According to Ministry of Planning and National Development 2003 report, women's entrepreneurship is a central aspect of economic development and public policy concern in most countries. Scholarly research about their entrepreneurial activities is comparatively scarce. The role of entrepreneurs as agents in the labour market for creation of employment, wealth creation, poverty alleviation and provision of resources has helped tremendously to increase the number of women–owned entrepreneurial ventures in the world (Gelin, 2005). Women enterprises aid in grassroots economic development of a country and women entrepreneurs contribute to the economic development of their families. However women entrepreneurs lack adequate physical capital such as credit which forces them into quest for micro-financial assistance, (Kuzilwa, 2005) and incubation services. In general terms, while global gender-based disparities have been substantially reduced in the areas of health and education, high gender gaps and limited progress in women’s empowerment persist in the economic domain (World Economic Forum 2013).

1.2 Statement of the Problem:
According to Kenya Bureau of Statistics, 2009, women constitute more than 50% of the total population, thus represent a substantial labour force. This influx of women entrepreneurs into entrepreneurial activities suggests that there are some fundamental factors that influence women to enter into and survive in entrepreneurship. Bwisa (1998) asserts that many African firms are low in efficiency and exhibit high business mortalities and poor profitability due to lack of relevant entrepreneurial culture and skill. Kenya Industrial Estates facilitates the different entrepreneurial development interventions. All these contribute a lot in strengthening women entrepreneurs’ performance by equipping them with the necessary support services. Most of the studies involving women entrepreneurs relate to either the reasons that women choose to become entrepreneurs (Buttner and Moore, 1999; Lee, 1997; Sarri & Trihopoulou, 2005) or on the barriers that these women face while attempting to start up a business (Brindley, 2005; Menzies et al., 2004). Furthermore, most of these researches are done widely in the developed country like USA, UK under the individualistic culture orientation. In view of the growing number of women entrepreneurs in Kenya, a study on this topic is now appropriate.

1.3 General Objective:
To assess influence of the characteristics of women entrepreneurs on the performance of their enterprises within Narok town

1.4 Specific Objective:
To establish the entrepreneurial characteristics exhibited by the women entrepreneurs that has contribted towards growth of their enterprises.

1.5 Research Questions:
What are the entrepreneurial characteristics exhibited by the women entrepreneurs that have influence the performance of their businesses?

2. LITERATURE REVIEW
As globalization reshapes the international economic landscape and technological change creates greater uncertainty in the world economy, the dynamism of entrepreneurship is believed to be able to help to meet the new economic, social and environmental challenges. Governments increasingly consider entrepreneurship and innovation to be the cornerstones of a competitive national economy, and in most countries entrepreneurship policies are in fact closely connected to innovation policies, with which they share many characteristics and challenges. The dynamic process of new firm creation introduces and disperses innovative products, processes and organizational structures throughout the economy. The concept of women entrepreneur defines women entrepreneur as a woman or group of women who initiate, organise and run a business( Khanka S.S, 2010). In terms of Schumpeterian concept of innovative entrepreneurs, women who innovate, imitate or adopt a business activity are called “women entrepreneurs”. The role of women in the economy has grown in
importance for many years. Increasingly, women are taking the decision to start their own business either after a career break or by making the transition from salaried employment. However, this group of women, although economically significant, remains largely invisible, both in terms of the available published research on entrepreneurship and in terms of this business support infrastructure available to assist potential female entrepreneurs (Beaver and Harrison, 1994, Cohen, 1997, Carr, 1998).

Women’s productive activities, particularly in business, empower them economically and enable them to contribute more to overall development. Whether they are involved in small or medium scale production activities, or in the informal or formal sectors, women’s entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment United Nations Industrial Development Organization (UNIDO, 2001). There is no agreement among researchers with regard to the differences in the characteristics of male and female entrepreneurs. “An entrepreneur is an entrepreneur is an entrepreneur,” and it should not matter what size, shape, color, or sex the entrepreneur might be. (Green and Cohen, 1995). Women owned business are making a significant contribution to Kenyan economy. Their businesses account for about one – half (50%) of women MSMEs which contribute around 20% to Kenya’s GDP of the 462, 000 jobs created annually since 2000 in Kenya, McCommick, 1997). A study by McCormick (2001) had the following findings on women entrepreneurs in Kenya:

a) That there is a great deal of gender segregation by sector (with women dominating in food processing, beer brewing, hair dressing, dress- making and retail of second hand clothing, while men their male counterparts dominate in metal-works, carpentry, vehicle repair, shoe-making, construction and transport).

b) Women are almost twice as likely to be operating from the home location while men are twice as likely as women to locate in trading centers, commercial districts or roadside locations.

c) Women are three times as likely as men to belong to some type of business association, but their networks have less power to assist their business.

d) Women-owned MSMEs are reported to earn only 57% of the income that male business owners earn. They also have fewer employees. In 1999 only 4% of workers in women-owned businesses were hired. The remainder consisted of family members and apprentices (Lois Stevenson, 2005).”

Specifically, women owned MSEs are important in economic growth of a country and their improvement should form part of a country’s development strategy. As Buttner, 2001, rightly argues they play an important role in reducing poverty and promote development by tapping into people’s initiative, ingenuity and self- reliance. In most countries, regions and sectors, the majority of business owner/managers are male (from 65% to 75%). However, there is increasing evidence that more and more women are becoming interested in small business ownership and/or actually starting up in business. In addition, rates of self-employment among women are increasing in several European Union countries. Although there are no official statistics relating businesses to the gender of their owner/manager, there is a good deal of evidence to suggest a significant increase in female entrepreneurship.

Arenius, Langowitz, Minniti (2007) confirmed that women participate in a wide range of entrepreneurial activities across the world and their activities in different countries have paid off in form of many newly-established enterprises for job and wealth creation. According to Gitile, Wegulo, Kaimenyi (2008) entrepreneurship is usually seen from the perspective of men driven economy due to its complexity, particularly its gender issues. In Kenya, women entrepreneurs are seen and defined as those who own enterprises whether in the informal or formal sector. In India the Government has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a woman entrepreneur is defined as “an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of the employment generated in the enterprise to women”(Khanka S.S, 2010).

2.1 Theoretical Framework:

There are several theories that have been advanced that explain entrepreneurship. These theories are based on the philosophy that “whenever you see a successful business, someone once took a courageous decision”, (Peter F. Drucker, 1986). Any business, including an entrepreneurial business, exists as part of a larger business environment. A theory
represents the coherent set of hypothetical, conceptual and pragmatic principles forming the general frame for reference for field of enquiry. Kerlinger (1973) defines a theory as “a set of interrelated constructs (concepts), definitions, and propositions that present a systematic view of phenomena by specifying relations among variables, with the purpose of explaining and predicting the phenomena”, while Frank Hahn and Martin Hollis (1979) stated that “a theory is a set of logically linked, high order generalizations”.

This study is modelled on the personal trait theory as advance by Pro. Bwisa (2011) and was used by Thomas and David P. Boyd in the mid-1980s. The theory borrows from the “entrepreneurs are born” belief and postulates that some people have certain in-born personal entrepreneurial characteristics (PECs) that make them more entrepreneurial than others. Accordingly some people or societies are naturally more risk lovers and consequently more entrepreneurial than others (Pro. Bwisa, 2011). This study is guided by the trait theory which anchors psychological, motivational, economic, competence-based, leadership, and resource based theories in identifying the entrepreneurial characteristics and success of women entrepreneurs.

- The psychological theory of entrepreneurship believes that certain personality characteristics are key in the development of entrepreneurs. The central focus of this theory is that entrepreneurs have unique values, attitude and need which drive them, (Kennedy K. Nteere, 2012). These include need for achievement, locus of control and risk taking propensity. The theory postulates that some societies tend to produce a higher percentage of people with high n-Ach than others. The high n-Ach individuals are more likely to start and grow businesses to take advantage of unique market opportunities or pursue business opportunities for personal interest often at the same time as they are working on a regular job (Bwisa, 2011).

- Under economic theory, the classical school of Entrepreneurship views entrepreneurs as individuals who undertake/develop ventures which have elements of risk; those that require some creativity and innovativeness. They are those who have foresight, energy and leadership qualities, (Francis A. Walker, 1840-1897). Schumpeter (1934), agreed with this notion by stating that the key ingredient of entrepreneurship lies in innovativeness of the individual and not ownership of a venture. He went further to define Entrepreneurship as “carrying out of new combinations of firm organization, new products, new services, new sources of raw materials, new methods of production, new markets, new forms of organization” (Dollinger, 1999).

- The resource based theory explains how entrepreneurs themselves build their businesses from the resources they currently possess or can realistically acquire to gain a sustained competitive advantage while doing business. The nature and the quality of the resources the entrepreneur possesses and can acquire can lead to long run success, (Dollinger, 1999).

- Entrepreneurs, women included, act as leaders in their organization and in their larger environment as they work to establish their business (Cohen, 2004). Entrepreneurial leadership theory provides a model to assess those characteristics most associated with leadership in an entrepreneurial organization, and the implication for success of the organization. Successful entrepreneurship requires successful leadership (Darling & Beebe, 2007). Successful entrepreneurs, noted as those who are able to grow and sustain their businesses, and change the way others think.

- School of competence-based theory state that competitiveness ultimately comes from producing better and a more demanded product quickly. This will allow access to a wide variety of market thus staying ahead of competitors.

- Motivation theory helps to understand the motives of starting the enterprise. This can be either internal or external, (Nteere K, 2012). Internal motives refers to personal traits that compel an individual to become an entrepreneur, women included. These, include need for self-employment, need for security, self-reliance and self-actualization need. Externally the motivations provide conducive environment to operate into. These include infrastructure, credit facilities and information support systems.

According to Schumpeter, “Everyone is an entrepreneur when he actually carries out new combinations”. Finding new combinations of factors of production is a process of entrepreneurial discovery that will become the engine that drives economic development. Therefore, the common entrepreneurial characteristics found in literature (Pro. Bwisa, 2011) that enable a person to carry out new combinations include:
- Commitment and determination i.e. entrepreneurs are tenacious, decisive and persistent in problem solving.
- Leadership i.e. entrepreneurs are self-starters and team builders who focus on honesty in their business relations.
- Opportunity obsession
- Tolerance of risk, ambiguity and uncertainty i.e. entrepreneurs are risk-takers, risk minimize and uncertainty tolerators.
- Creativity, self-reliance and adaptability and
- Motivation to excel i.e. entrepreneurs are goal oriented and aware of their strengths and weaknesses.

Women have been successful in breaking their confinement within the limits of their homes by entering into varied kinds of professionals and services women entrepreneurs have proved to be on par with their men counterparts in business acumen and are emerging as smart and dynamic entrepreneurs. Entrepreneurship among women is an important avenue through which women can overcome their subordination within the family and the family and the society as a whole. Therefore, development of entrepreneurship among women has received special attention of the policy makerse.g the creation of Women Enterprise Fund specifically for women entrepreneurs in Kenya.

2.2 Conceptual Framework:
Miles and Huberman (1994) defined a conceptual framework as a visual or written product, one that “explains, either graphically or in narrative form, the main things to be studied—the key factors, concepts, or variables and the presumed relationships among them”. In this study the dependent variable i.e. enterprise growth and independent variables i.e. entrepreneurs characteristics were formulated. From the analysis, the conceptual framework has been developed by the researcher to determine whether the Kenya Industrial Estates women beneficiaries posses some entrepreunerial characteristics that has lead to the growth of the their businesses. For this research work, a working hypothesis has been developed as the conceptual framework to guide on a tenable theory, That there is significant relationship between entrepreneurial characteristics of women entrepreneurs and the performance of their enterprises. This is represented diagramatically as follows:

![Conceptual Framework Diagram]

3. RESEARCH METHODOLOGY
This study adopted a descriptive survey design. The population consist of Narok Town on Kenya Industrial Estates' women beneficiaries with the sample being the same as the population. Semi-structured drop and pick questionnaires was employed to elicit information from the respondents. The data was organized processed using Statistical Package for
Social Sciences (SPSS) version 16. Descriptive statistics was used to generate frequency distribution tables, and percentage of responses to summarize the data. The multiple regression analysis was also carried out in order to establish the contribution of each independent variable to the dependent variable.

4. RESEARCH FINDINGS AND DISCUSSIONS

Table 4.1: Duration of being KIE Ltd client

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>20</td>
<td>29.9</td>
</tr>
<tr>
<td>5-10 years</td>
<td>34</td>
<td>50.7</td>
</tr>
<tr>
<td>Above 10 years</td>
<td>13</td>
<td>19.4</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>100</td>
</tr>
</tbody>
</table>

From the data collected, it can be noted that 20 respondents forming 29.9% have been clients for less than 5 years, 34 respondents representing 50.7% have been clients for the duration of 5-10 years while the rest of the respondents 13 representing 19.4% have been clients for over 10 years. This is an indication that majority have been with KIE Ltd for over 5 years. Some could be repeat beneficiaries or have benefited from a long-term product like the incubation services.

4.2 Establishment of Women Entrepreneurs amongst the Clients.

There are a number of distinct criteria that make women entrepreneurs and their enterprises different from that of women who own businesses even though there are common elements. To achieve this objective, the respondents were asked the following questions: what is the impact of KIE Ltd products/services on business, view of the impact and what role they do as a business woman. The responses were as follows:

Table 4.2: Impact of KIE Ltd on Enterprises

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great</td>
<td>43</td>
<td>64.2</td>
</tr>
<tr>
<td>Great</td>
<td>20</td>
<td>29.9</td>
</tr>
<tr>
<td>Moderate</td>
<td>3</td>
<td>4.5</td>
</tr>
<tr>
<td>Very low</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>100</td>
</tr>
</tbody>
</table>

Data collected above indicate that majority of the respondents 43 representing 64.2% indicated that KIE Ltd had very great impact on their business while 20 forming 29.9 indicated a great impact on their business. Impact on business can be seen by respondents as high sales, acquisition of machinery, a place to work from and more stock in the shop.

4.3 Establishment of Entrepreneurial Characteristics of Women Entrepreneurs:

To achieve this objective the respondents were asked a question relating to their characters and the performance of the business. The objective here was trying to find out on entrepreneurial traits of the women respondents and the responses were as follows:

Table 4.4: Was the enterprise Started/Initiated by you?

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>66</td>
<td>98.5</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>100</td>
</tr>
</tbody>
</table>

Data collected indicates that 66 of the respondents representing 98.5% started and initiated the business on their own. Only 1 respondent forming 1.5% had business started and initiated by another party. This indicate that 98.5% of the respondent has the entrepreneurial characteristics of starting and initiating a business.
Data collected indicates that majority of the respondents had acquired skills in one way or the other. Majority of the respondents strongly and agreed that they have taken initiative to possess business skills. Its noted that skill is one of the pillars required in developing an enterprise.

**Table 4.5: Skill Acquisition by the Respondents**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through formal training</td>
<td>72% (48)</td>
<td>27%</td>
<td>0%</td>
<td>0%</td>
<td>2% (1)</td>
</tr>
<tr>
<td>From past experience</td>
<td>60% (40)</td>
<td>37%</td>
<td>0%</td>
<td>2%</td>
<td>2% (1)</td>
</tr>
<tr>
<td>Mentorship</td>
<td>61% (40)</td>
<td>37%</td>
<td>0%</td>
<td>2%</td>
<td>0% (0)</td>
</tr>
<tr>
<td>Through informal training</td>
<td>54% (36)</td>
<td>43%</td>
<td>2%</td>
<td>0%</td>
<td>2% (1)</td>
</tr>
</tbody>
</table>

**Table 4.6: Any Family member with Entrepreneurial Skills?**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>44</td>
</tr>
<tr>
<td>No</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
</tr>
</tbody>
</table>

From the data collected 44 of the respondents representing 65.7% had relatives who run businesses. This means the relatives have the initiative of starting a business. 23 of the respondents representing 34.3% do not have relative in the family associated with any business activity.

**Table 4.7: Family relation of the Respondents**

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent</td>
<td>38</td>
<td>56.7</td>
</tr>
<tr>
<td>Brother</td>
<td>26</td>
<td>38.8</td>
</tr>
<tr>
<td>Sister</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Husband</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>100</td>
</tr>
</tbody>
</table>

The data collected indicates that majority of the relation was either parents or brother. This indicate that their could be blood relation attributed to those who start and run their business. This support the thinking of that entrepreneurs are born. Family plays an important role in a woman’s life. Many women entrepreneurs manage their enterprises with support from family and friends, both at start-up and expansion. Most women nowadays do prefer to work as they feel that they should be helping out by bringing in additional income. According to Brindley (2005), the main source of support and assistance for female entrepreneurs during a start up phase came from family and friends i.e. trusted sources of help that the women had previously experienced.

**Table 4.8: Previous Activity by the Respondent**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government/Private sector</td>
<td>28</td>
</tr>
<tr>
<td>Self Employed</td>
<td>32</td>
</tr>
<tr>
<td>Unemployed</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
</tr>
</tbody>
</table>

Data collected above indicates that 28 of the respondents representing 41.8% had been formally employed before starting own business. 32 of the respondents representing 47.8% had been self employed and 7 representing 10.4% were unemployed. This means that majority had some activity going on before starting own business. This forms the base for skills acquisition that help in running a business. They would have also discovered business opportunities through their work experience and expertise knowledge acquired at work place. This suggested that majority of the respondents were not under paid employment but had run micro-enterprise before starting business. It shows that they were repeat entrants into business which may be occasioned by diversification or starting something new. This portrays presence of skill acquisition which called for continuity. The result is similar to the works of Roomi & Parrot (2008); Weber & Schaper, (2004) whose findings suggested that women entrepreneurs had previous entrepreneurial exposure.
It can be noted from data collected that 66 of the respondents representing 99% strongly agreed that they are risk takers, 50 representing 75% strongly agreed that they mobilizes business resources for the benefit of their businesses, 47 of the respondents forming 70% strongly agreed that they are creative and innovative, 65 have self confidence, 67 representing 100% possess managerial and persuasive ability, all are energetic and mobile and all the respondents representing 100% strongly agreed that they take personal responsibility in the business. These are some of the key entrepreneurial characteristics that help in keeping the business going and expanding without support from others.

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary:
Women enterprise shows the obvious entrepreneurial characteristics contributing to the growth of businesses. These attributes include taking personal responsibility in business, risk-taking, mobilizing resources for the business, self-confidence, possession of both managerial and persuasive skills, energetic, creative and innovative while conducting the business.

5.2 Conclusion:
There is relationship between entrepreneurship characteristic and the performance of women businesses. This is because possession of entreprenerial characteristics leads to successful running of business enterprises. Risk-taking is able to ensure that an enterprise is started. Being able to mobilze resources ensure that the idea generated is actionable.

5.3 Recommendations:
1. Women entrepreneurs should put more emphasis on potentials of own entrepreneurial characteristics for performance and business growth than on external resources that support businesses.
2. For those women entrepreneurs who have benefited from KIE Ltd, they should and need to focus on developing and promoting own entrepreneurial characteristics that assist in utilization of these resources for the sake of business growth.
3. For those women entrepreneurs who have started and continuing in business, entrepreneurial characteristics comes first because resources are utilized through human character. They need to invest in resources to expand the business after exhibiting and utilizing own entrepreneurial characters.
4. Women entrepreneurs should have a clear goal in order to direct their activities for success of the business.
5. Training and capacity building is required to emphasize on the entrepreneurial characteristics for women entrepreneurs to help in business performance, growth and sustainability.

REFERENCES


