DETERMINANTS INFLUENCING GROWTH PERFORMANCE IN WOMEN OWNED SMALL AND MICROENTERPRISES IN KENYA. WOMEN BOUTIQUES IN MURANG’A TOWN, MURANG’A COUNTY

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ABSTRACT

The study was to determine the influence of entrepreneurial leadership on growth performance in women owned small and microenterprises in Murang’a County. Specific focus was on women owned enterprises dealing with the line of clothing and wear. Descriptive research design was used. Stratified random sampling method was used while Questionnaires were used to collect data and observation sheet used to confirm the pertinent activities in the enterprises. Quantitative data was analyzed using descriptive statistics. For Inferential statistics, Chi-square test was used. The study found out that the capacity of leadership to spur enterprise growth was evident. However, there was disparity on the ability of the entrepreneurs to exercise entrepreneurial leadership to the extent of infusing growth in their enterprises. The skills levels of the women entrepreneurs were wanting in many areas, most profound was financial literacy and the credit management ability. It had negative implications on the growth performance of most of the women owned enterprises.

The study recommended that women entrepreneurs should be sensitized on the need to always engage their employees in dialogue as regards aspects of managing their enterprises as a measure of ensuring sustained growth. The women owned enterprises should strive to change and upgrade their products and services in line with changing market trends. Business training for the entrepreneurs as regards risk mitigation and opportunity spotting should be done. Training and skills provision in the lines of accounting and basic book keeping should be availed for the women enterprises.

KEYWORDS: women enterprise, Small and Microenterprise (SMEs) or Micro and Small enterprise Entrepreneurship
INTRODUCTION

Background

Women entrepreneurs around the world are making a difference. They contribute numerous ideas and a great deal of energy and capital resources to their communities, and generate jobs as well as create additional work for suppliers and other spin-off business linkages (Commonwealth Secretariat, 2002). Siwadi and Mhangami (2011) adds that it is undeniable that women entrepreneurs are the major actors and contributors to economic development and are becoming increasingly visible in the local economies of the developing countries. United Nations (2000) contend that women entrepreneurs make a substantial contribution to national economies through their participation in startups and their growth in small and microenterprises and this has received outstanding interest of researchers. Global entrepreneurship monitor (GEM) (2005) confirmed that women participate in a wide range of entrepreneurial activities across the 37 GEM and their activities in different countries have paid off in form of many newly-established enterprises for jobs and wealth creation.

Most of the developing countries have witnessed an influx of the number of women venturing in the field of entrepreneurship in recent years, this mainly being attributed to advocacy on women empowerment programs and polices advanced by both government and non-governmental organizations (Eyben et al., 2008). Studies have found that entrepreneurial development has been a panacea of poverty alleviation among the fastest growing economies of developing countries (United Nation, 2006). A report by World Bank (2009) indicated that women entrepreneurs comprise about half of human resources in developing economies. The report also identifies women entrepreneurs as key facilitators of micro economic development in their communities. Studies also indicate that majority of women entrepreneurs own small and microenterprises in developing countries, and their significant contribution to growth domestic production (GDP) and improving income of their households cannot be ignored (ILO, 2008; Ghosh, 2009).

In spite of these success stories recorded on the increase of women entrepreneurship in developing countries, the literature on women entrepreneurship in Africa literally depict women-owned micro and small enterprises as being under financed and thus continue to record poor performance (Richard & Adams, 2004). A cursory review on the characteristics of women enterprises in sub-Saharan Africa shows that significant or dominant share of small and microenterprises are operated from informal sector (Stevenson & St. Onge, 2005). Women in particular prefer to start micro enterprise related to food vending, hair making, tailoring of garments and running merchandised shop in retail and wholesale. The informal sector is more lucrative to women because less intensive capital is needed to establish the enterprises and no special skills are required (Fuchs & Berg, 2013). However, it is further observed that among sub-Saharan African countries, women entrepreneurs not only face and experience credit access challenge, but also have low education levels, lack of entrepreneurial training and experience to effectively manage enterprise (ILO, 2010). Sonobe et al. (2012) note that small and microenterprises have the potential to expand and grow in size to the level...
of creating significant impact to the growth of economies. Different studies have carried analytical work that attempts to explain the attributes and aspects that are required by small and microenterprises to improve their performance. The works by Schumpeter and Cole’s theory of risk as cited by Smith-Hunter and L. boyd (2004) have over the years been used by different studies to explain the dynamics of entrepreneurship behavior. These entrepreneurial theories are based on the hypothesis that an entrepreneur is an investor who is always focused on maximizing better fortunes from the venture they invest in. AB Aziz et al. (2005) argued that an entrepreneur is an investor who must come up with new ideas of the enterprise.

Nevertheless, ILO (International Labour office) seed program and ABD (African Development Bank) (2004) noted that despite many women venturing into entrepreneurial activities, majority of small and microenterprises were not sustainable. In addition, a study by Fafchamps et al. (2011) and Golla et al. (2011) observed that some women entrepreneurs had successfully operated enterprises and were also able to increase their income. Stevenson and St. Onge (2005) puts it in their argument that due to inability to be innovative, low education levels and lack of management skills, only three out of the five enterprises are able to establish themselves three years after their inception. While different approaches have been used to improve the performance of small and microenterprises owned by women, Gikonyo et al (2006) strategy appeared to be more robust, it alleged that for women owned enterprises to be successful, the entrepreneur requires basic entrepreneurial training on management of enterprise.

Other studies carried out in Kenya by Mutuku (2006) have attributed the lack of entrepreneurial culture among Kenyan women to: lack of confidence and self belief; lack of a variety of strong and relevant networks; passive learning methods; and, starting up enterprises without adequate preparation. Nchimbi (2002) found women entrepreneurs to be more internally oriented suggesting lack of confidence. In addition, women were found to have lower need for achievement compared to men. There is a wide range of reasons as to why people choose to engage in business. There is some empirical evidence in support of the notion that women have fewer qualities such as self-confidence, achievement-motivation and even their willingness to take risk as being qualities that are closely linked to success in business.

According to the Global Entrepreneurship Monitor (GEM) (2005), entrepreneurial activity can be divided into two groups of entrepreneurs. Whereas the first group refers to entrepreneurs who seek to take advantage of unique business opportunities (opportunity-based entrepreneurs), the second group refers to those entrepreneurs who cannot find a job and consequently choose to start a new business in order to survive (necessity-based entrepreneurs). However, this distinction is imperative for the further discussions on women owned enterprises. While necessity-based entrepreneurship is quite low in developed countries, this type of entrepreneurship is dominating in most developing countries (GEM, 2005).

In other words, the prevalence of necessity-based entrepreneurship seems to coexist with high levels of women owned enterprises
(WOEs). But there is more to it than this. While necessity-based entrepreneurship seems to coexist with economic growth in most developing countries, opportunity-based entrepreneurial activity accomplishes economic growth in most developing countries. Taking into account that developing economies increasingly are faced with the demand to reshape their production and adapt their competition to be more oriented towards innovation (and opportunity-based entrepreneurship), issues such as how to encourage women’s participation in this process, suddenly become paramount. The shift involves/requires a considerable upgrading of skills. Moreover, the simple dichotomy inherent in classifying entrepreneurship into necessity and opportunity-based neglects both that entrepreneurs generally start their business for a variety of reasons and that this might shift over time and during business development (GEM, 2005).

Growth is regarded as the second most important goal of a firm, the most important being firm survival. Aversion to growth has been said to be the principal reason why most small and microenterprises stagnate and decline (Clerk et al., 2001). Previous research reveals that firm growth is multidimensional phenomenon, there is substantial heterogeneity in a number of factors associated with firm growth and related research (Delmar, 2003). The commonly used measure of firm growth; (employment growth, sales growth, profit, return on equity (ROE), return on assets (ROA), and entrepreneurs perceived growth relative to their competitors in terms of increase in company value (Leona et al., 2010).

More importantly, Kenyan women entrepreneurs are increasingly recognized to play an important role to the unprecedented rate of growth of the small and microenterprises (SMEs) and indirectly to the Kenyan economy. The ILO report of 2004 indicated that 44 percent of Kenyan women surveyed seeming desire for self-employment. The Kenyan government has come to realize that fostering the development of women entrepreneurship in the country is crucial for the achievement of Kenya’s broader objectives, including economic development and growth. Kenya is one of the very few countries which established the Ministry of gender in 2002 and women Enterprise Fund in 2007. Together, these two oversee the growth and development of existing and potential women entrepreneurs in the country.

According to International Labour office (2007), even if women could afford to pay for training they have difficulty in travelling to central locations to participate in training programmes, and quite often cannot afford time away from their enterprises and family responsibilities to attend weeklong programmes. Most entrepreneurship training programmes are too general in scope and do not offer a growth strategy orientation. Many of them focus on the start-up process with very limited effort on the part of the training providers with regards to doing any post-training follow-up. In addition, women tend not to use supporting government programmes including the training programmes provided (Longonitz N., &Minniti M., 2007). This might be a problem pertinent to women entrepreneurs as generally there is lack of entrepreneurship training and skills development in Kenya where most women entrepreneurs acquire their skills and
experience through their family members, friends and previous experiences. Efforts are thus needed to increase the level of awareness among women entrepreneurs of existing training opportunities (Republic of Kenya, 2005).

Appong and Seth in their feature article (2008) confirm that available academic programs are adequate. We must supplement them with programs that teach the competencies and those that aim at changing behaviors. Behavior-based programs are therefore needed as supplements. To maximize gains of entrepreneurship, institutions that offer such education may elect to select individuals high on personality traits such as personal control, achievement motivation, self-efficacy, autonomy, and risk taking propensity. People high on these traits will achieve entrepreneurial growth than those low on them, given the same entrepreneurship education, all other things being equal. They continued to insist that executive coaching is needed to assist the owner managers of sprouting small and microenterprises to develop the set of competencies needed for entrepreneurial success or growth (successful start-ups doesn’t translate to growth). In this regard, consulting is very important.

On the contrary, Kenyan government recognizes that women entrepreneurs have not been on equal footing when it comes to their access to opportunities and assets but it has yet to effectively address the barriers facing women in business (Athame, 2011). According to ILO study carried out by Stevenson and St. Onge (2005), there are three profiles of women entrepreneurs operating micro and small enterprises (MSEs) in Kenya, namely those in Jua Kali microenterprises, “very small” microenterprises and “small scale” enterprises. These are differentiated by their demographic profiles, extent of previous business experience, needs, access to resources and growth orientation. Further, entrepreneurs tends to overexploit actions that initially have generated desirable outcomes (Minniti & Bygrave 2001), which may lead to overgeneralization and a failure to adapt to more dynamic situations.

This conclusion is consistent with the idea that continuous success might be a liability because “failure to fail” can restrict individuals from exploring alternatives, inhibit risk taking, and lead to complacency (Gully et al., 2002). As far as entrepreneurs’ prior knowledge and domain related structures are concerned, each entrepreneur enters the start-up process with an individual (idiosyncratic) stock of knowledge, accumulated through the past experience (Cope 2005; Politis 2005).

Statement of the Problem

Some women owned businesses in Murang’a town do well while others do badly even if they are homogeneous in nature. This scenario happens due to various reasons. First and foremost, not all business people are entrepreneurs.

According to Barker and Sinkula (2009), risk taking refers to the willingness to commit significant resources to uncertain opportunities and a high risk taking propensity is often attributed to entrepreneurs. Using this fact, those businesses that seem to do well are owned by women entrepreneurs who are opportunistic in that they like to see their businesses grow and expand through proper coordination of their entrepreneurial activities.
Nevertheless, Dr. Luke Pittaway (2010) publication on trait theory (born) assert that there is an underlying assumption that within the entrepreneur there resides an inherent, permanent and relatively stable set of personality characteristics. A personality characteristic is an enduring feature of a person, an underlying trait that produces behavioural consistency regardless of situation. The trait model of behavior argues that there exists a single trait in the personality of the entrepreneur that differentiates him or her from others. Such inherent traits are such as need for achievement, risk taking, internal locus of control, persistent and innovative, to name a few. On learning and cognitive theory (made) there are factors combined that contribute to the competitive behavior required by the entrepreneur to drive the market process. Therefore, the entrepreneurial process has been conceptualized as an inherently dynamic process of experimentation and learning (Cope, 2005; Harison and Leitch, 2005). Based on the above entrepreneurial insight therefore, the study limited itself within four factors that may help unveil the causes of growth disparity among women owned businesses in Murang’a town and these factors includes; entrepreneurial leadership, innovation, entrepreneurial characteristics, and entrepreneurial skills. It has not been evidently ascertained why some of these women enterprises do well while others do badly, and so the need for the study.

Objective of the study
i) To determine the influence of entrepreneurial leadership on growth performance in women owned small and microenterprises in Murang’a town.

Significance of the Study
The study will seek to raise ideas and issues in the hope that the various stakeholders and persons directly addressing issues related to growth disparity in women owned small and microenterprises in Kenya will continue the discussion. Specifically, the findings of this study, it is hoped, will be beneficial to various stakeholders as discussed below: The management of small and microenterprises in Murang’a and in Kenya will gain a better understanding of the current factors influencing growth disparity among women businesses and the impact they has on the performance of women small and microenterprises. The county government will acquire insight into the critical areas of support mechanisms for small and micro-sized enterprises and accommodate the in their polices where applicable. Academicians and scholars will use the findings from the study as a source of reference for other researchers. In addition, academic researchers may need the study findings to stimulate further research and like any other research, it will yield new information and acts as a resource material for other readers.

LITERATURE REVIEW

Introduction
According to Saunders, Lewis, and Thornhill (2001), the literature review forms the framework for research, as it helps to develop a good understanding and provide insight into
relevant previous research and emerging trends. It is organized according to the research objective to ensure there is relevance.

Theoretical framework

This section reviews the theories related to small and microenterprises performance. The theories used in this study touches on entrepreneurial leadership based theory, theory of innovative enterprise based on entrepreneurial innovation, entrepreneurial characteristics based on psychological entrepreneurship theory, and entrepreneurial skills based on competence theory.

Entrepreneurial Leadership based Theory

Chell and Nicoloponlou (2007) found that nonprofit and social enterprise team “need to be led”. Cogliser and Brigham (20034) also found out four specific areas that are most relevant to entrepreneurship and leadership: vision, influence (on both followers and a larger constituency), leadership of motive/creative people, and planning. According to Fernald et al. (2005), entrepreneurship and leadership have set similar characteristics common to both leaders and entrepreneurs: vision, problem solving, decision-making, and strategic initiatives. Similarly, Pearce (2006) described entrepreneurial leaders in opposition to managerial leaders, and not in terms of a set of skills that can be learnt or taught. On the other hand, Gupta, MacMillan, and Surie (2004) look at entrepreneurial leadership not as a collection of traits (ie who one is), but as a set of behaviours (ie what one does). They suggest that entrepreneurial leaders are those who enact the challenges of communicating a vision and influencing others to help them realize it. Swiercz, LydonandChen (2007) concludes that a leader’s effectiveness is very strongly determined by the ability to interact with a team’s creativity (as measured by patents) when lead entrepreneurs have higher risk-taking, pro-activeness and innovativeness, they can stimulate their entrepreneurial teams to be more creative during the patent creation process.

In addition, Cohen (2004) identifies entrepreneurial leadership as any leadership that creates a climate, and you’ll unleash the behavior that your organization needs to succeed today. A more critical view of entrepreneurial leadership which seeks both to question received definitions of the construct and to understand its wider significance is presented by Vecchio (2003). His model of entrepreneurial leadership concludes that entrepreneurship is simply a type of leadership that occurs in a specific setting Vecchio, 2003). However, according to Kuratko (2002), the passion and drive for entrepreneurs move the world of business forward as they challenge the unknown and continuously create the future. Kuratko and Hodgetts (2007) further developed an integrated definition that acknowledges the critical factors needed for entrepreneurial leadership. They assert that entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients includes the willingness to take calculated risks in terms of time, equity, or career, the ability to formulate an effective venture team, the creative skill to marshal the needed resources, the fundamental skill of building a solid business plan, and finally, the vision to recognize opportunity where others see chaos,
contradiction and confusion (Kuratko & Hodgetts, 2007).

Theory of Innovative Enterprise based on Entrepreneurial Innovation
In the theory of economic development, first published in 1911, Joseph Schumpeter, drawing inspiration from Karl Marx, argued that capitalism had to become conceptualized as an economic system in which technological change, or more broadly speaking innovation, constantly disrupted the general equilibrium of market exchange (Lozonick, 2011). Building on the intellectual contributions by Lozonick (2002) on the theory of the growth of the firm, and the historical synthesis of Chandler (2005) on the growth of the industrial corporation and its applications for the operation and performance of the economy, the theory of innovative enterprise shows how by transforming its cost structure a firm can grow large. O’Sullivan (2000) established that superior economic performance depends on innovative enterprise, the development and utilization of productive resources to generate higher quality, lower cost of goods and services.

According to Levy and Powell (2005), innovation also plays a crucial role in nowadays business and it is regarded as a key characteristic of small and microenterprises, mainly due to the attitude of the manager. Innovative companies are able to respond within the bounds of the knowledge about the existing products or services to changes required by the customers within their niche market (Levy & Powell, 2005). The social condition of innovative enterprise, perspective asks how and under what conditions the exercise of strategic control ensures that the enterprise seeks to grow using the collective processes and along the communicative path that are the foundations of its distinctive competitive success. Of central importance to the accumulation and transformation of capabilities in knowledge-intensive industry is the skill base in which the firms invest in pursuing its innovative strategy. At any point in time a firm’s functional and hierarchical division of labour defines its skill base (Lozonick, 2010).

Alvarez and Barney (2004) found that innovation for the entrepreneurial SMEs creates rents through the ability it has to generate a source of competitive advantage which makes it a fundamental objective of entrepreneur. According to Miles et al. (2003), innovation rent can be defined as returns that arise from existence, discovery, and successful commercial exploitation of entrepreneurial opportunities. Alvarez (2007) has examined the notion of entrepreneurial rents and suggests that they are generated through a process where entrepreneurs and other partners collaborate in combining existing resources to create innovations that offer an enhanced value. The key issue for the entrepreneur in maximizing the value of innovation is managing market conditions of uncertainty (Alvarez & Busenitz, 2001; Alvarez & Barney, 2005). Anticipated rents are created under conditions of uncertainty (Alvarez & Barney, 2007).

In addition, the ability of the firm to create isolating mechanisms that strengthen its bargaining position with any alliance partners is critical (Alvarez et al., 2006). Further, Mazzarol et al. (2014) found that firms that did not proceed to commercialization were not deemed to be future; in most cases their decision to withdraw was based on rational and well
considered judgments over the likely rent return that might be obtained from the innovation given the prevailing market conditions and the firms’ resources. In a similar vein, Acs et al. (2002) found that an innovation in the economic sense is accomplished only with the first commercial transaction. According to Miles and Green (2008), firms in the creative industries, such as design, publishing or the arts, are normally seen as particularly innovative. However, cities are important for these relationships; creative industries tend to be urban industries, which take advantage of shared knowledge and of a density of specialized customers, suppliers, and workers to create new products (Therrien, 2005; Pratt, 2006; Asheim et al., 2007; Reimer et al., 2008; &Stam et al., 2008).

Further, Duranton and Punga (2004) suggest that firm benefit from both the diversity of urban environments, which may provide a range of stimuli, and the specialization urban location allow. They also found in their recent research posits that such externalities will be related to city size, whereby, larger cities provide greater externalities making firms in large cities more innovative (Duranton & Punga, 2004; Stolarick& Florida, 2006). For instance, Chapain et al. (2010) show that the creative industries in London are less innovative than creative industries elsewhere. Despite the fact that creative industries have significantly crept up in governments’ development policy agendas (Jayne, 2005; Evans, 2009), the evidence base on the creative industries, innovation, and development is surprisingly weak (Sunley et al., 2008; Lee &Drever, 2012). Moreover, Cunningham (2010) and Bakshi et al. (2008) argued that creativity is not limited to particular industries, and research has suggested that creative occupation may also be key drivers of innovation. Creative workers embedded in other sectors, such as designers in manufacturing, may be part of the innovation strategy of firms (Cunningham & Higgs, 2009; Cunningham, 2011). Nevertheless, Duranton and Punga (2001) suggest that firms may site the innovative aspect of their activity in cities, to take advantage of the specialized labour markets, inputs and exchanges of knowledge they offer.

Conceptual Framework
According to Maxwell (2005), a conceptual framework explains either graphically or in narrative form, the main things to be studied—key factors, concepts or variables and the presumed relationship among them. Basically, a conceptual framework is primarily a conception or model of what is out there that you plan to study, and of what is going on with these things and why it helps you to justify your research (Maxwell, 2005). Therefore, with respect to this study, entrepreneurial leadership, innovation, entrepreneurial characteristics, and entrepreneurial skills are the independent variables. The outcome variable is growth performance in women owned small and microenterprises which is the dependant variable. The study sought to investigate the extent to which entrepreneurial leadership, innovation, entrepreneurial characteristics, and entrepreneurial skills factors influence growth disparity in women owned small and microenterprises.

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<th>Entrepreneurial Leadership</th>
<th>Growth Performance in Women-Owned SMES</th>
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<td>- Imitativeness</td>
<td>- Sales</td>
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<td>- Visionary</td>
<td>- Profit</td>
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<td>- Innovationist</td>
<td>- ROE(Return On Equity)</td>
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<td>- Dialogues</td>
<td>- Cash Flows</td>
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<td>- Social interaction</td>
<td>- Stock</td>
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Entrepreneurial Leadership

Kuratho (2007) argue the importance of entrepreneurship leadership. Entrepreneurship leadership is necessary for firms of all sizes in order to prosper and flourish. The challenge for leaders is to create an internal entrepreneurship as an integrated concept that encourages individuals in an innovative manner. It is this perspective that has revolutionized the way business is conducted at every level and in every country. It is a perspective that stimulates individuals to find the innovative spirit. It is in effect the essence of entrepreneurial leadership (Kuratko, 2007) leadership is a critical factor in long term success and a solution for failing organization (Currie, 2007).

Cogliser (2004) was the first who distinguished managers from entrepreneurs. He suggested that an entrepreneur is a special case of leadership, another style of leadership. A leader to Chen (2007) arguing entrepreneurial leadership is distinctive from other behavioural leadership forms; the entrepreneurs differentiate from employed managers (Kempster and Cope 2010). On the other hand, in the development of entrepreneurial leadership, another point of view has been developed. Author like Ruvio et al. (2009) arguing that an entrepreneurial leader is not necessarily performed in an entrepreneurial environment (Ruvio et al., 2009; Currie et al., 2008). The point of view are contrasting and providing that entrepreneurial leadership is a relatively young field, where as general leadership theory is more mature (Cogliser, 2004) one of the authors investing the themes and trends between entrepreneurial and leadership is Cogliser (2004). According to Cogliser (2004), there is more and more overlaps and convergence toward both concepts thus entrepreneurial leadership as a distinctive type leadership, and entrepreneurial in an entrepreneurial context.

In a distinctive type of leadership, opportunity seeking is central in the literature of entrepreneurial leadership. Identifying opportunities where others do not require specific competencies is needed to be compatible with the changing nature and growing needs in the new and established organization (Swiercz, 2002; Bagheri et al., 2010). Currie et al. (2008) concluded by suggesting that entrepreneurial leadership is based on a leader creating, identifying and exploiting opportunities in an innovative, risk taking way. According to McCarthy (2010); Covin and Slevin (2002), and Rowe (2001), it is the ability to influence other managing resources for opportunity seeking and advantage seeking behavior. Entrepreneurial leadership according to Cohen (2004); Fernald and Tarabishy et al. (2005) are an effective and needed leadership style. Wah (2004) suggested that future leadership research use more quantitative approach to survey Chinese entrepreneurial leaders. Entrepreneurial leadership is understandable because of the uncharted and unprecedented territory that has ahead of business in today’s dynamic markets (Tarabishy, 2005).

Thoornberry (2006), further note that entrepreneurial leadership is more like transformational leadership with higher entrepreneurial orientation can produce higher business performance. According to Devins and Gold (2002), multiple conversation, dialogues and inter- personal communications shape
entrepreneurial practice and entrepreneurial leadership can be seen to emerge from pragmatic setting of everyday activity (Thorpe, 2008). We therefore work within this perspective and embrace wider sympathetic leadership literature to argue that entrepreneurial leadership is learnt through social interaction in which idiosyncratic experience produces variation in leadership conception (Kempster, 2006). Sporadically, management scholars and practitioners have also been extolling the entrepreneurial model of leadership that creates new industries, and transforms old ones (Arham et al., 2013).

Critique of Existing Literature Review to the Study

In the most recent years, the focus of research on SMEs growth has shifted from the study of factors that influences uneven growth of homogenous trades owned by women, factors like financing and non-financing and their influences on SMEs performances. For example, Beck and Demirguc (2006); Atieno (2009) suggested that in spite of their contribution to economic and social development, women-owned small and microenterprises(SMEs) continue to face various challenges, including inadequate access to funding, inadequate access to markets, low returns on capital, high cost of doing business and labour market barriers, which in turn, influence their growth negatively. Ikiara et al. (2002) outlines that enterprise ownership has been associated with firm’s ability to mobilize resources.

In Kenya, various studies have been carried out on growth of small and microenterprises. In his study, Waiganjo (2010) on the role of quality on growth of small and microenterprises in Kenya established that adoption of quality influences growth of SMEs. In his study, Mungah (2010) determinants of growth of manufacturing SMEs in Kenya established that interest rate, fuel cost, business skills and political instability were major factors found to influence SMEs growth into large business enterprise. Small firms are more informational opaque and, therefore, have less access to external funding than larger firms; financiers are unable to solve problems of asymmetric information and to adequately fund small business expansion (Hartarska & Gonzalez, 2006). Drever, (2006) argued that financial problems (lack of funds) constrained the development and growth of small enterprises, as many of them are unable to access the same kinds of growth funding often available to large enterprises (Waston, 2006).

Oliveira and Fortunato (2006); Mureno and Casillas (2007) also reveals the importance of internal finance for SMEs growth, pointing towards a positive relationship between growth and internal finance in different economies. Similarly, Wanjoji and Mugure (2008) in their study on how access to finance influences growth of SMEs stated that financial constraints remain a major challenge facing SMEs in Kenya. Finally, Ogngachi and Bwisa (2013) did a study on factors influencing growth of women owned micro and small enterprises in Kitale Municipality. In their study, they found that financial capacity and the capacity to borrow and comfortably pay back had a significant effect on enterprise growth; most entrepreneurs avoided borrowing out of fear of being unable to pay and also the cost of the loans.

However, most of the studies on women enterprise fund (WEF) and growth of SMEs both
globally and locally were conducted as case studies and hence their findings cannot be generalized to all SMEs in Kenya. For instance, Kiraka et al. (2012) aimed at looking how SMEs growth influences innovations. The study did not outline how WEF influences the growth performance of women owned SMEs in Kenya. On the other hand, Macharia et al. (2014) had dependent as the accessibility of Women Enterprise Fund among small and micro enterprise owners. This study was limited to accessibility of how WEF influences growth performance disparity.

Further, Muteru (2013) did a study on the effect of microfinance institutions on growth of women owned enterprises. Although, the dependent variable was the growth of women owned enterprise, the study was focusing on all microfinance institutions. In their study Hassan and Mugambi (2013) focused at establishing determinants of growth for women owned and operated microenterprises in Garissa County. This study did not seek to establish the role of WEF in the growth performance of women owned SMEs.

Lastly, Tubey (2012) did a study to establish the influence of social-economic characteristics of women entrepreneurs on the performance of their microenterprises in Eldoret Municipality in Uasin Gishu County. The independent variables in this study were social-economic characteristics of women entrepreneurs and the dependent variable was the performance of their microenterprises. These variables are different from the variable of the study.

**RESEARCH METHODOLOGY**

**Introduction**

The chapter highlights the methodology which was used in this particular study. It presents the description of the research design and methods which was used to investigate factors influencing growth disparity in women owned small and microenterprises in Murang’a town.

**Research design**

Burns and Grove (2003) define a research design as a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings. As a descriptive study is concerned with determining the frequency with which something occurs or the relationship between variables (Cooper & Schindler, 2003).

This study adopted a descriptive research design where both quantitative and qualitative approaches were used in the study. Descriptive research design was used to describe factors influencing growth performance in women owned small and microenterprises. Quantitative approach helped enumerate statistical data and qualitative approach was used to deal with opinions and views collected in the study. The descriptive design was deemed worthwhile because it facilitated the collection of the data without any manipulation of the variables.

**Data Collection Instruments**

Instrument is the term researchers’ use for a measurement device (survey, test, questionnaire, etc). To help distinguish between instrument and instrumentation, consider that the instrument is the course of action and the
instrumentation is the course of action (the process of developing, testing, and using the device) (Biddix, 2005).

In this study, structured questionnaires were used to collect data from the respondents. Meyer et al. (2004) defined a questionnaire as a list of carefully structured questions, chosen after testing, with a view of citing reliable responses from a chosen sample. The aim of a questionnaire is to find out what a selected group or participants do, think or feel (Meyer et al., 2004). Denscombe (2003) indicates the elements that need to be considered during the planning stage of the questionnaire and these include: costs; production or design time frame; distribution, collection and analysis process; and time-span for receiving results. The first part of the questionnaire comprised the demographic characteristics of the respondents such as gender, age, marital status, level of education, and working experience. The information in this part was used to show the personality distribution of respondents.

The questionnaires were considered worthwhile because they had the capacity to handle a large population of respondents. The questionnaires equally had the benefit in that they could be self-administered. Questionnaires are anonymous thus confidentiality was upheld and the questions could be standardized for the purpose of easing the data analysis procedures (Orodho, 2005).

Data Collection Procedure
Research instruments were administered and the respondents’ questionnaires were distributed through drop and pick later method with a certified self-addressed return envelope to help increase response rate. This was followed by a personal visit to the respondents as well as using a telephone call as a reminder. The procedure was deemed worthwhile owing to the fact that it facilitated confidence building in the target respondents and equally enhanced convenience.

Data Processing and Presentation
According to Miles, Huberman and Saldana (2013), analyzing data involves examining it in ways that reveal the relationships, patterns, trends, etc that can be found within it. That may mean subjecting it to statistical operations that can tell you not only what kinds of relationships seem to exist among variables, but also to what level you can trust the answer you are getting. Similarly, Kerlinger and Lee (2012) defines data analysis as the categorizing, ordering, manipulating, and summarizing of data to obtain answers and inferential to research questions.

In this study, quantitative data was analyzed and translated into numbers, which was then displayed and analyzed mathematically. The quantitative data was also subjected to statistical procedures such as calculating the mean or average number of times an event or behavior occurs. Qualitative data from the open-ended questions was analyzed by use of content analysis and the findings were presented in a prose form. Inferences were drawn in comparison to previously documented data on determinants affecting the growth of women enterprises. The data was then analyzed and presented in form of tables, pie charts, and bar graphs. Only complete questionnaires by the respondents were analyzed using descriptive statistics with the help of the Statistical package for Social
The study sought to investigate determinants influencing growth performance disparity in women owned small and microenterprises in Murang’a County. The objectives that guided the study were to determine the influence of entrepreneurial leadership on growth performance in women owned small and microenterprises.

**Entrepreneurial Leadership**

Kuratho (2007) argue the importance of entrepreneurship leadership. Entrepreneurship leadership is necessary for firms of all sizes in order to prosper and flourish. The challenge for leaders is to create an internal entrepreneurship as an integrated concept that encourages individuals in an innovative manner. It is this perspective that has revolutionized the way business is conducted at every level and in every country. It is a perspective that stimulates individuals to find the innovative spirit. It is in effect the essence of entrepreneurial leadership (Kuratko, 2007) leadership is a critical factor in long term success and a solution for failing organization (Currie, 2007).

<table>
<thead>
<tr>
<th>Table 4.1: Ability to provide adequate business direction to employees and stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Response</strong></td>
</tr>
<tr>
<td>To a high degree</td>
</tr>
<tr>
<td>To a fair degree</td>
</tr>
<tr>
<td>To a low degree</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

The response as shown in table 4.1 indicates that most of the respondents considered themselves to have fairly adequate capacity in terms of the ability to provide direction for their businesses in the wake of guiding employees and other stakeholders. The response was an indication that they were not highly satisfied in terms of the ability to effectively provide guidance in all aspects to the employees and other stakeholders in their businesses. It can thus be interpreted to mean that most of the respondents were not entirely confident in themselves as regards their capacity to effectively provide guidance to their employees and other stakeholders as a means of ensuring that their businesses thrived.

Figure 4.1 shows the responses on passion for business to the level of offering guidance to the
employees even in the event of poor performance.

The responses by most of the respondents who deemed their capacity as fair was an indication that they did not possess very high drive which triggered their passion beyond the real happenings in their enterprises. It can thus be interpreted to mean that there was need for a change of tact on the part of most of the entrepreneurs sampled in terms of their capacity and ability to possess the drive enough to offer guidance even at the advent of poor performance by enterprises.

**Table 4.2: Ability to provide adequate business direction to employees and stakeholders and passion for business to the level of offering guidance to the employees even in the event of poor performance**

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>70.694*</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>57.998</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>64</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.2 shows a Chi-square value of $\chi^2 = 70.694$ at a significance level of 0.000. The calculated statistic $\chi^2 = 70.694$ was found to be greater than the tabled critical value of $\chi^2 = 57.998$. It can be interpreted that, statistically, there was a relationship between the ability to provide adequate business direction to employees and stakeholders and passion for business to the level of offering guidance to the employees even in the event of poor performance at $\alpha = 0.23$. This was an indication that despite challenges that bedeviled the business at that particular moment they drew inspiration from their inner self to see to it that they succeeded whatever the circumstances.

**Table 4.3: Ability to provide guidance as regards the future prospects of the enterprise to employees**

Table 4.3 shows the responses on ability to provide guidance as regards the future prospects of the enterprise to employees.
The response as shown in table 4.3 indicates that most of the respondents considered themselves to have a high capacity as regards being visionary enough in the wake of offering guidance on the future prospects of the enterprise to the employees. The response was an indication that the entrepreneurs owned the vision that drive their enterprises and were solely responsible as regards providing guidance on aspects of future prospects for the business. It can thus be interpreted to mean that the entrepreneurs had long term plans as regards the future prospects of their enterprises and this was an indication of purpose in terms of their abilities to drive up their businesses.

Table 4.4: Passion for business to the level of offering guidance to the employees even in the event of poor performance and the ability to provide guidance as regards the future prospects of the enterprise to employees

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>To a great extent</td>
<td>33</td>
<td>51</td>
</tr>
<tr>
<td>To a fair extent</td>
<td>28</td>
<td>44</td>
</tr>
<tr>
<td>To a low extent</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100</td>
</tr>
</tbody>
</table>

The calculated statistic $\chi^2 = 81.939$ was found to be greater than the tabled critical value of $\chi^2 = 74.250$. It can be interpreted that, statistically, there was a relationship between the entrepreneurs having passion for business to the level of offering guidance to the employees even in the event of poor performance and the ability to provide guidance as regards the future prospects of the enterprise to employees and at $\alpha = 0.23$. This can thus be interpreted to mean that in the event an entrepreneur is passionate for the business activity that they are undertaking, they will always provide guidance as regards the future prospects of the enterprise to employees regardless of the circumstances in terms of challenges that the business faces.
Figure 4.2 shows the responses on instances of feeling overwhelmed by the demands of the business.

Figure 4.2: Instances of feeling overwhelmed by the demands of the business

The response as shown in figure 4.2 indicates that most of the respondents had the experience of feeling overwhelmed by the demands of the business to the extent of almost giving up on it. The responses were a reflection of the challenges that the entrepreneurs faced to the extent of testing their abilities as regards their capacity to provide able leadership to the enterprises. It can thus be interpreted to mean that most of the entrepreneurs faced different challenges in their enterprises which overwhelmed them but their personal resolves to see the enterprises thrive forced them to forge ahead with their business activities.

Most of the respondents confirmed that they always engaged their employees in dialogue as regards aspects of managing their enterprises as a measure of ensuring sustained growth. The responses denoted the entrepreneur capacity in terms of opening up the democratic space of their enterprises well in the need to ensure that the businesses were well managed. It was an indication that despite investing in the enterprises they valued the input of the employees as critical stakeholders in the enterprises in the wake of ensuring good prospects for them. It can thus be interpreted to mean that the entrepreneurs had matured to the level of trusting and winning the confidence of their employees. This ensured that they shared the ideals of the enterprise from a mutual position thus room for dialogue on aspects of management. This confirmed sound capacity as regards the entrepreneurs’ ability to provide leadership and enthuse the employees.

Some of the entrepreneurs however dissented to having had opportunities to engage the employees in dialogue on aspects of managing their enterprises. The responses denoted impaired capacity as regards the levels of interaction between the employees and the entrepreneurs. It was an indication of a situation whereby some entrepreneurs clung on to their enterprises with a stranglehold and they were not keen on sharing with the employees and delegating aspects of management to them. It can thus be interpreted to mean that some of the entrepreneurs had no insights as regards the potential of the employees to provide new ideas as regards aspects of management and shunned dialogue with them.

A large percentage of the entrepreneurs confirmed that they allowed the employees to participate in the decision making processes of the enterprises and this had given them a sense of ownership in the businesses. The responses denoted enhanced capacity as regards the ability to willingly engage the employees in pertinent decisions that affected the enterprises. This enforced collective responsibility as regards ownership of decisions made and it equally enhanced greater
participation of the employees in running the enterprise. It was an indication of apt leadership as regards creation of mutual relations between the employer and the employee for the overall good of the business. It can thus be interpreted to mean that most of the entrepreneurs had strived to delegate the function of decision making to the employees by way of allowing their participation as a means of ensuring ownership for the decisions made. This enforced greater participation and ownership of programmes in the enterprise thus sustained growth.

Some of the respondents however were of the view that they did not allow their employees to participate in the decision making processes in their enterprises. This denoted stifled space as regards capacity to allow employee participation in the programmes of the enterprise. It was an indicator that some entrepreneurs were not willing to engage the employees beyond the labour input that they provided for them. This may have impacted negatively on the enterprises at the advent of the employees being expected to implement decisions that did not gel well with them. It can thus be interpreted to mean that some of the entrepreneurs were not cautious enough to take care of client concerns with a view of assured futuristic business. This portrayed their inability to provide leadership as regards taking care of the client concerns in their enterprises.

Most of the respondents affirmed to having the capacity to take constructive criticism from the clients and seek to gather honest feedback and this had made their businesses highly responsive to client needs. The responses were an indication of the entrepreneurs who valued feedback and were ready to make amends all in the wake of ensuring that the clients’ needs were taken care of. It can thus be interpreted to mean that most of the entrepreneurs were alive to the fact that the clients had a major position in the enterprises by virtue of being consumers of the goods and services provided. This forced them to seek to listen to their concerns as a measure of ensuring that they were relevant in the varied business spheres.

Inability to take constructive criticism from the clients and inadequate capacity in terms of the ability to gather honest feedback was confirmed by some respondents. These were a pointer to the inability to value client concerns and effectively take charge of them. This cast them in bad light as regards the inept leadership and inadequacy in terms of capacity to protect their business interests and assure regular repeat buying occasioned by valued concerns from the business activities. It can thus be interpreted to mean that some of the entrepreneurs were not cautious enough to take care of client concerns with a view of assured futuristic business. This portrayed their inability to provide leadership as regards taking care of the client concerns in their enterprises.

Most of the respondents confirmed that they always strived to ensure that they interacted with their target clientele basis to ensure that they knew their market trends as regards products and services. The regular interaction with the target clientele predisposed them to understand what the market needed and placed them on a proactive angle as regards reacting to the market. This enabled them to continuously seek to fulfill and meet client needs in line with the evolving trends thus making them relevant in their specific business activities. It can thus be interpreted to mean that most of the entrepreneurs displayed
positive leadership in terms of understanding and acknowledging the needs of their clients owing to regular interaction with their target niches.

Failure to have regular interaction with the target clientele base was confirmed by an insignificant percentage of the respondents. This was an indication that they did not strive to understand the trends as regards products and services that were in demand in the market. This was an indication of lack of focus and inability to change with time. It was a pointer to the situation of high risk on the part of the affected entrepreneurs and the potential of being rendered redundant at the advent of new products and services demands in the target markets which they did not comprehend. It can be interpreted to mean that some entrepreneurs were oblivious to the risk of failing to interact with their target markets and understanding their needs.

Capacity to always take responsibility for mistakes made by the enterprises with an aim of ensuring that the clients’ interests were protected was confirmed by most of the respondents. The responses were an indication of the humility and selflessness of the entrepreneurs in the need to protect the interests of their clients at the expense of their enterprises. This was an indication that the individual entrepreneurs were able to take responsibility and agreed to make losses at the need to protect client needs. It can be interpreted to mean that the entrepreneurs were cognizant of the need to sacrifice short term expediency at the prospects of long term growth.

Some of the entrepreneurs were however not keen to take responsibility for mistakes made by their businesses with an aim of ensuring that the clients' interests were protected. This projected an image of businesses which did not care for the need to protect their interests as regards ensuring that the clients derive satisfaction from the products and services offered.

The researcher observed enhanced capacity with regard to leadership in most of the enterprises visited during the data collection exercise. This was attributed to the ability of most of the entrepreneurs to delegate the basic management provisions to their employees stationed at the particular enterprises. The researcher confirmed that in the absence of the entrepreneurs, the employees were able to make pertinent decisions about the enterprises for the common good of the business. During the data collection exercise, the researcher observed that most of the entrepreneurs were seldom present in the enterprises. Ability to have good customer relations and critical decision making in the nick of time were evident on the part of most of the employees. This was going by their ability to effectively serve and realize client satisfaction even in the absence of the entrepreneurs. This was a factor that the researcher keenly observed and acknowledged giving impetus to appreciating the leadership ability of most of the entrepreneurs.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary of the Findings

This chapter gives a summary of the findings, conclusions and recommendations drawn from the findings. The study sought to investigate
determinants influencing growth performance in women owned small and microenterprises in Murang’a town, Murang’a County.

Summary of findings:

How does entrepreneurial leadership influence growth performance in women owned small and microenterprises in Murang’a town?

Most of the respondents considered themselves to have fairly adequate capacity in terms of the ability to provide direction for their businesses in the wake of guiding employees and other stakeholders. Most of the respondents considered themselves fairly passionate for their business to the level of offering guidance to their employees even in the event of poor performance. Some of the respondents were however of the view that they were highly passionate to the extent of always offering guidance even at the event of poor performance. Most of the respondents considered themselves to have a high capacity as regards being visionary enough in the wake of offering guidance on the future prospects of the enterprise to the employees. The response was an indication that the entrepreneurs owned the vision that drive their enterprises and were solely responsible as regards providing guidance on aspects of future prospects for the business. The capacity of leadership to spur enterprise growth was evident from the study. However, there was disparity on the ability of the entrepreneurs to exercise entrepreneurial leadership to the extent of infusing growth in their enterprises. The study thus found out that a significant percentage of the women owned enterprises were not able to exploit entrepreneurial leadership to motivate the growth of their enterprises.

Conclusions of the study

The study drew the following conclusions:

How does entrepreneurial leadership influence growth performance in women owned small and microenterprises in Murang’a town?

The entrepreneurs always engaged their employees in dialogue as regards aspects of managing their enterprises as a measure of ensuring sustained growth. A large percentage of the entrepreneurs confirmed that they allowed the employees to participate in the decision making processes of the enterprises and this had given them a sense of ownership in the businesses. The capacity to take constructive criticism from the clients and seek to gather honest feedback and this had made their businesses highly responsive to client needs. Most of the entrepreneurs always strived to ensure that they interacted with their target clientele basis to ensure that they knew their market trends as regards products and services. Capacity to always take responsibility for mistakes made by the enterprises with an aim of ensuring that the clients’ interests were protected was confirmed by most of the entrepreneurs.

Recommendations of the study

The study made the following recommendations:-

The entrepreneurs should be sensitized on the need to always engage their employees in dialogue as regards aspects of managing their enterprises as a measure of ensuring sustained
growth. This will enhance the democratic space and ensure balanced decision making with a collective ownership of the decisions made. Systems to collect and gather honest feedback should be ingrained in the enterprises as a means of self evaluation and optimal leadership. This will see to it that the enterprises have sustained growth driven by the positive leadership. Regular interaction with the target clientele bases and ability to always take constructive criticisms should be inculcated in the entrepreneurs as measure of ensuring sustainable growth devoid of altercations with the target markets.

**Suggestion for further studies**

The study suggested that research should be conducted on role of the Uwezo Fund in spurring growth of the women owned enterprises. This is with a view of finding out if the program geared towards empowering the women members financially has impacted on the performance of the enterprises.
REFERENCES


characteristics on the business success of small and medium enterprises (SMEs) in Bangladesh. 


