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CHALLENGES FACING THE PERFORMANCE OF WOMEN ENTREPRENEURS IN SMALL AND MEDIUM ENTERPRISES WITHIN KAJIADO TOWN

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ABSTRACT

The aim of this study was to investigate challenges facing the performance of women entrepreneurs' in Kenya, specifically within Kajiado town. Women, being the backbone of economies in developing nations and specifically in Kenya, play a significant role to ensure their families' well being. The study focused on the following two objectives; to establish how access to finances and to determine the challenge of competition on the performance of women entrepreneurs within Kajiado town. The study employed the use of questionnaires to collect primary data, as research tools. The study employed a descriptive research design targeting a population of 218 respondents. A sample of 65 respondents was chosen through simple random sampling. Data analysis was done using statistical package for social sciences (SPSS). From the regression equation, it was revealed that the overall access to finances had the greatest challenge on the performance of women entrepreneurs in SMEs. Competition posed the least challenge on the performance of women entrepreneurs in SMEs. The study concluded that access to finance affected performance of women entrepreneurs in SMEs. It challenged performance to a very great extent because it limited the women entrepreneurs' ability to take advantage of opportunity as and when they arose. The study further concluded that competition challenged on performance of women entrepreneurs was positive since it led to better customer services in business operations. The study recommended that the financial institutions should set some simple ways of accessing the financial facilities for the women entrepreneurs and give them at reasonable rate to enable them to repay with ease. More and effective competition will reduce opportunities for corruption and creates more space for women entrepreneurs in SMEs to grow and perform better.

Key Words: *Access to Finance, Competition, Performance of Women Entrepreneurs, SMEs*

INTRODUCTION

In many developing countries, small and medium enterprises (SMEs) play a significant role in economic growth and development and as such, are explicitly treated as important part of national development plans. Developing countries faced with severe unemployment and wide income gaps see SMEs as a viable strategy for employment creation. Such countries design specific policies and strategies for active promotion of SMEs as important components of their national, regional and local development plans. In other developing countries, policy statements in support of SMEs remain mere statements of intentions and desires, as the instruments for their implementation and frameworks for giving them active support have not been put in place (Dondo, 2011).

It is generally considered that Kenya still has a significant potential in increasing the competitiveness of its business sector and that it can exploit the new opportunities arising from the formation of the new East African Community (EAC) and the large regional market it creates, especially if the costs of doing business could be significantly reduced (GoK, 2007). Among the major factors negatively affecting competitiveness are high cost of finance (or non-availability in case of micro, small and medium enterprises (MSMEs), an inappropriate tax system, substantial costs related to transport and logistics, costs and reliability of energy supply as well as costs related to crime, security and corruption. Specifically for female-owned enterprises, access to investment and working capital is still considered a key constraint (Dorothy, 2010).

The role of entrepreneurship and an entrepreneurial culture in economic and social development has often been underestimated. Over the years, however, it has become increasingly apparent that entrepreneurship indeed contributes to economic development. Nevertheless, the significant numbers of enterprises were owned by men (ILO, 2006). In other words, it was not common to see women-owned businesses worldwide especially in developing countries like Kenya. The idea and practice of women entrepreneurship is a recent phenomenon. Until the 1980's little was known about women entrepreneurship both in practice and research, which made its focus entirely on men. Scientific discourse about women's entrepreneurship and women owned and run organizations is just the development of 1980s (ILO, 2006).

SMEs (small and medium-sized enterprises) account for 60 to 70 per cent of jobs in most OECD countries, with a particularly large share in Africa, and a relatively smaller share in the United States (World Bank, 2008). Throughout they also account for a disproportionately large share of new jobs, especially in those countries which have displayed a strong employment record, including the United States and the Netherlands. Some evidence points also to the importance of age, rather than size, in job creation: young firms generate more than their share of employment (World Bank, 2008). However, less than one-half of start-ups survive for more than five years and only a fraction develop into the high-growth firms which make important contributions to job creation. High job turnover poses problems for employment security; and small establishments are often exempt from giving notice to their employees. Small firms also tend to invest less in training and rely relatively more on external recruitment for raising competence (Danida, 2010). The demand for reliable, relevant and internationally comparable data on SMEs is on the rise, and statistical offices have started to expand their collection and publication of data. International comparability is still weak, however, due to divergent size-class definitions and sector classifications. To enable useful policy analysis, governments need to improve their build-up of data, without creating additional obstacles for firms through the burden of excessive paper work (GoK, 2010).

Woman entrepreneurship development, especially among women largely focuses on the empowerment of women through developing skills in small to medium-sized enterprise (SME) and business ventures by taking risk of making investment decisions.(UNDP, 2009)

High-growth firms, as measured by employment expansion rates, account for a significant share of jobs created and are key players in economic growth (Africa commission, 2009). Among such firms, small firms exhibit higher net job creation rates than large ones, as they also do in the general population of firms. In the first phase of this project, 8-10% of the populations of growing firms were characterized as high-growth. They include older firms in traditional sectors as well as younger, technology-based ones (Fineline, 2009). Eight case studies (France, Germany, Greece, Italy, Netherlands, Spain, Sweden and Canada) used firm-level data sets to identify high-growth firms and their differentiating characteristics.

Statement of the problem

According to the economic survey (2006), SME's contributed over 50% of new jobs created in the year 2005. Despite their potential to contribute to the world economy, women entrepreneurs in SMEs face many challenges. The Citigroup/ EIU report cited inadequate access to financial resources and investment capital as significant barriers to growth of women entrepreneurs in SMEs (Newberry, 2006). These challenges might have accounted for the high rates of failure among SMEs, ranging from a high of 80% in the first 3 years of operation in the U.S. to over 50% in Australia, France and New Zealand (Mason, 2007; Switzer, 2007).

Several studies have been carried out focusing on performance of entrepreneurs. Mwania (2011) did a research on the effect of Biashara Boresha Loan (BBL) on performance of Micro and Small enterprises owned by KCB branch customers. Gathitu (2007) did a study on factors affecting performance of entrepreneurs in privately run secondary schools in Thika Sub- County, Kiambu County. Mugo, (2012) did a study on factors affecting entrepreneurs' performance in Kenya dwelling on Nairobi women groups in the Central Business District (CBD). Though the said studies dwelt on performance, they were done in their specific areas and covered specific objectives. Mwania (2011) for instance did not consider other factors that can affect performance apart from finance. Gathitu (2007) on the other hand was specific on the entrepreneurs investing in the education sector. Mugo (2012) only considered performance of men entrepreneurs and left out the female entrepreneur. Women being the backbone of economies in developing countries and specifically in Kenya, play a significant role to ensure their families' well-being (Phizacklea, 2003). (Schuler & Riley, 2010), The major problems faced by women entrepreneurs are competition from better quality products and marketing problems and accessibility to initial capital (Stevenson & Jarillo, 2003). Competing financial needs between family and business becomes one of the major constraints to enterprise growth the little income earned from the business is sometimes used for what appears to be urgent family requirements, irrespective of why it was set aside resulting in a reduction of the capital invested and hence curtails further growth (Alila *et al.,* 2012). In exploring on the financial factors affecting women entrepreneurs, this study investigated how challenges such as; financial accessibility and competition affected women entrepreneurs within Kajiado town.

Study Objective

The study sought to establish challenges facing performance of women entrepreneurs in SMEs within Kajiado town, Kenya. The specific objectives of the Study were:-

- To establish effects of access to finance on performance of the women entrepreneurs in SMEs.
- To determine the effects of competition on performance of women entrepreneurs in the SMEs.

LITRATURE REVIEW

Theories of SMEs Performance

The Pecking Order Theory

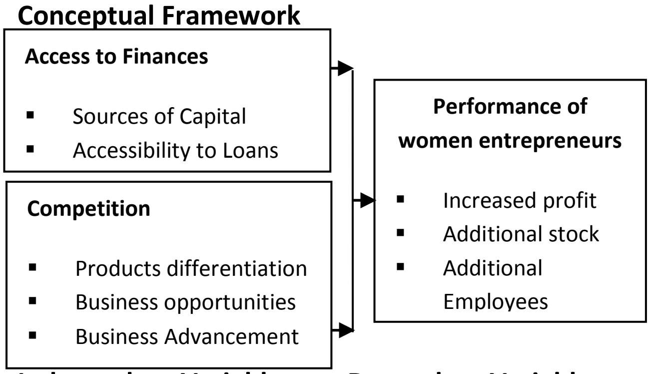
This is another theory, which is to be considered in relation to SMEs performance and management. Pecking Order Theory was discovered by Donaldson (1961). It is a theory which suggests that management prefers to finance first from retained earnings, then with debt, followed by hybrid forms of finance such as convertible loans, and last of all by using externally issued equity; with bankruptcy costs, agency costs, and information asymmetries playing little role in affecting the capital structure policy. A research study carried out by Norton (1991) found out that 75% of the small enterprises used seemed to make financial structure decisions within hierarchical or pecking order framework. Holmes *et al.,* (2001) admitted that POT is consistent with small business sectors because they are owner managed and do not want to dilute their ownership. Owner-managed businesses usually prefer retained profits because they want to maintain the control of assets and business operations. Small and medium sized enterprises, (SMEs), are the key driven force of the socio-economic development in the Mediterranean (Carter, 2008). They are actively involved in job creation and allow the draining of the economic growth. Indeed, this form of business organization is undoubtedly the most widespread in the world, with a share of up to 90% of the entire structure of entrepreneurial economies (Ou, 2006). Through this theory, in the current modernization process of financing and banking structures it is generally assumed that there is no lack of external financial assistance for promoting business and investment (Zoppa, 2002). Nevertheless it is a fact that available funds do not sufficiently reach SMEs and micro enterprises despite their privileged role. In pecking order theory, it is clear that the financing of SMEs breaks in the momentum of economic growth. It is often said that SMEs access to credit is difficult and a major constraint is related to credit institutions. They are subject to caps on interest rates structure, which does not facilitate a consistent pricing of credit risk and may make lending to SMEs (Hall, 2000). Accordingly, these enterprises often turn away from formal mechanisms and operate in the informal economy, riskily evading taxes and regulations (Cosh, 2004). The "pecking order" theory of firm financing is one method firms might use to address performance problems. According to this theory, firms do not aim for a target debt ratio. Instead, firms select from funding sources that minimize the cost of capital (Myers, 2004). In the case of the small firm or entrepreneur, personal sources are used first, external debt next, followed by outside equity. Equity is acquired last because the entrepreneur presumably has more information than the investor. The presence of significant information asymmetries causes the investor to charge a higher rate of return on equity than on debt (Frank & Goyal, 2003). Indeed, information asymmetry costs may be much higher for small firms than for large, and the pecking order theory may therefore explain a great deal of financing behavior by entrepreneurs (Hall *et al.*, 2000). To the extent that information asymmetries increase the cost of capital the smaller (and younger) the firm, the more we would expect to see entrepreneurs engage in a "pecking order" financing strategy. But, at the emerging stage of the venture creation process, is it true that all financiers who expect to own or share in a firm's profits raise the cost of equity such that the entrepreneur is driven to use more personal sources of funding? If so, then it represents a significant resource barrier for the nascent entrepreneur to overcome (Hall, 2000). Based on the financial categories in pecking order theory (personal funds, external debt, and outside equity), hypotheses about how nascent entrepreneurs acquire financing during the venture creation process, taking into consideration characteristics of the firm, industry, and individual is development. Clearly, the main component of pecking order theory is time. According to the theory, entrepreneurs should use personal funds first. As time goes by they should use more and more debt and equity sources of financing (Gartner, 2009).

Stochastic models of firm growth

Originally, this theory was introduced by Kalecki (1945), in which the approach showed a negative relationship between firm size and growth. More recently, through learning this theory has appeared in the economic literature. Geroski (2015) emphasized that firm growth and survival depend on a firm's capacity to learn. Empirical evidence shows that the survival and post-entry performance of new SME's depends on their capacity to adapt to the environment and apply the correct strategies. The stochastic firm growth theory has developed simultaneously. Stochastic growth models have two main objectives: to detect the existence and persistence of the stochastic factors affecting firm behavior and to detect the presence of inequality and concentration among women entrepreneurs in SME's.

Jovanovic (2012) provided a model in which women entrepreneurs do not know their level of efficiency until they enter the market. This learning process is called a bayesian or passive learning process. Once in the market, the most efficient firms grow faster until they reach a minimum efficient size. Inefficient firms disappear with the course of time. This is the Theory of "noisy" selection. These types of model introduce variables such as age to measure this ability of a firm to learn its economic efficiency. Specifically, firms are created with a number of workers and are affected by a reductive shock. The distribution of the probability of profits is unknown at the initial moment and does not vary with time. Despite their dominant numbers and importance in job creation, SMEs have faced difficulty in obtaining formal credit or equity (finance). For example, maturities of commercial bank loans extended to SMEs are often limited to a period far too short to pay off any sizeable investment. Meanwhile, access to competitive interest rates is reserved for only a few selected blue-chip companies while loan interest rates offered to women entrepreneurs remain high (Foss, 2011). Relating to the performance of women entrepreneurs, this theory will help women entrepreneurs demand new skills and a new management style. The management must try to introduce different professional staff and formal planning and control procedures provided in this theory. However, when there is lack of experience, which is required for such a deployment, may lead to continued failure of the women entrepreneurs in this regard.

Conceptual Framework



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Access to Finances

The greatest barrier facing women entrepreneurs in Kenya is access to finance is an issue because of requirements of collateral. In Kenya only 1% of women own property and that makes it very difficult for women to provide collateral for banks. Most women who venture into businesses in the rural areas and need financing lack the needed collateral to enable them secure bank loans. Responsibility of entrepreneurs for dependants has limited opportunities to make savings or undertake business expansion and diversification Athanne (2011). The financial aspects of setting up a business are without doubt the biggest obstacles to women (Zororo, 2011). Women entrepreneurs often lack information about how to get a loan, lack the necessary collateral to obtain one and or face discriminatory laws or practices related to finance and credit Common wealth secretariat (2002).

Finding the finance to get a new business going, or to grow an existing one is a difficult challenge. Makokha (2006) adds that women entrepreneurs have financial social demands that compete with business capital, leading to a diversion of capital away from business needs. Kinyanjui (2006) records that some entrepreneurs feel that it is difficult to obtain loans as they show credit records and they do not fully understand the requirements of getting and paying loans. Loans from Kenyan microfinance institutions tend to be limited in amount, have no grace period, are short term in design and carry very high interest rates. Consequently, most women entrepreneurs are likely to have multiple short-term loans to cater for both businesses and social needs. Studies have shown that loans to MSE entrepreneurs only satisfy a fraction of their financial needs (Women Entrepreneurs in Kenya, 2008). Formal financial support is seen to be too expensive for many women entrepreneurs and hence they treat this as a last resort (Stevenson & St-Onge, 2005).

Financial availability and accessibility is cited in many studies as being one of the major barriers and constraints to growth (Kuzilwa, 2005). The factors that inhibit credit availability to women include: lack of start-up (seed) capital; lack of awareness of existing credit schemes; high interest rates; lengthy and vigorous procedures for loan applications; and, lack of collateral security for finance. These factors have become a major barrier to the growth potential of businesses owned by women (Gales, 2003). Access to finance is a key issue for women. Accessing credit, particularly for starting an enterprise, is one of the major constraints faced by women entrepreneurs. Women often have fewer opportunities than men to gain access to credit for various reasons, including lack of collateral, an unwillingness to accept household assets as collateral and negative perceptions of female entrepreneurs by loan officers (Mahbub, 2000).

Finding start-up finance for the business is the biggest hurdle that many entrepreneurs go through. Even after getting started, getting sufficient finance to sustain business growth is another problem. Research findings by McCormick *et al.,* (1996), Daniels *et al.,* (2003) and Kinyanjui (2006) show how SMEs are constrained by finance. Studies undertaken by Kiiru, Mirero and Masaviro (1988) for the former Kenya Rural Enterprise Programme (K-Rep), now Sidian Bank, confirm that a major constraint within the small business enterprise sector is financing. In the study carried in Nairobi among small manufacturing enterprises, Nyambura (1992) established that finance was rated among the biggest problem. In South Africa, Eeden (2004) found finance as cited as one of the most prominent constrains. The problem related to finance includes lack of information on where to source for finance, restrictive lending offered by commercial banks, lack of access to finance, insufficient financing, lack of track record required by the banks, limited access to collateral, and the fact that financial institutions lack appropriate structure for dealing with SMEs (Avendo, 2013).

High Competition

Whilst micro-enterprises are very often the source of innovation, they are also especially vulnerable to competition from counterparts who introduce new products or services, or improve their production processes, lacking the resources to respond rapidly (Goetz, 2010). Competition (markets) and information related factors are said to be major challenges. Competition is seen in form of the size of market share in the rural setting. Most of these markets are not expanding and new competitors such as mini-super markets with wide varieties of products for those who were engaged in selling household products are emerging. To Jaiyeba (2010) this could be caused by lack of marketing skills.

Competition is an unambiguously good thing in the first-best world of economists. That world assumes large numbers of participants in all markets, no public goods, no externalities, no information asymmetries, no natural monopolies, complete markets, fully rational economic agents, and an efficient court system to encourage contracts, and a benevolent government providing lump sum transfers to achieve any desirable redistribution. (Peter, 2011) argues further that if any one of the assumptions necessary for the validity of the fundamental theorems of welfare economics cannot be met, restricted rather than unrestricted competition may be a better strategy. In both developed and especially developing countries, SMEs constitute the main force of the economy (Hannan, 1989). Developing countries are having great benefits from the SMEs. For the SMEs, to be active on the market means to be known, to be visible among others, and to become the first option for their clients in the purchase. In the developing countries SMEs constitute the main sources of national income and create an important area for entrepreneurship. Flexibility of SMEs, their simple organizational structure, their low risk and receptivity as the essential features facilitate them to be innovative. In order to compete and sustain successfully, locally, and globally, micro, small and medium enterprises must not only be perfect in their area, but also persevere in the long run (Peter, 2011).

On the basis of the above argument, unfettered competition may not be appropriate for developing industries like motor vehicle mechanics that are characterized by incomplete and missing markets. In such economies, unfettered competition may lead to price wars and unhealthy rivalry, which may have repercussions on future investment, especially within the small and medium enterprise sector. In this regard, too much competition can be as harmful as too little. Hence, it is appropriate to ensure optimal degree of competition that would involve some degree of rivalry to reduce inefficiency in the use of resources at the micro level but not so much competition that would reduce the propensity to invest (Jane, 2011).

By entering the competition, the company tries to find competitive advantages that greatly affect the success of the enterprise. MSEs are usually not very competitive in terms of market knowledge, innovation, prudent investment, business operations and good management, which are important factors in improving the quality. Developing countries compete with other countries as a result of globalization and increased trade however barriers and other restrictions generally favor these countries (Kinyanjui, 2012). A survey of SMEs in developing countries was carried out by the World Bank. According to the findings of research competition represents a risk for survival for individual enterprises. Although competition represents high risk, it is the one which pushes companies towards higher productivity which actually results in their growth and development (Govori, 2013).

Empirical Review

The number of small and micro enterprises has been rapidly for the last two decades with the majority based in rural areas. According the national and small enterprise baseline survey (GoK, 2005), about 1.3 million small enterprises were in Kenya employing about 45% of women. In most economies, Kenya included, SMEs comprise approximately 99% of all firms and employ between them about 60% of the people (Joel, 2012). In many sectors, SMEs are responsible for driving innovation and competition. Globally SMEs account for 99% of business numbers and 40% to 50% of GDP (Joel, 2012). FSD Kenya (Financial Sector Deepening) strongly believes that in Kenya, women entrepreneurs in SMEs have the potential to contribute significantly to economic growth and poverty reduction through increased production and employment.

Availability of finances to entrepreneurs ensures a continuous flow of activities within their business enterprise. Lack of access to finance is almost universally indicated as a key problem for MSE. Credit constraints operate in variety of ways in Kenya where undeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends or relatives who are not enough to enable women entrepreneurs undertake their business activities optimally (G.o.K, 200). Lack of access to long-term fiancés for small enterprises forces them to rely on high cost short term finance. There are various financial challenges that face small enterprises. They include the high cost of credit, high bank charges and fees. The scenario witnessed in Kenya particularly during the climaxing period of the year 2008 testifies the need for credit among the common and low earning entrepreneurs (Dondo, 2011).

The sighting of competition as a top challenge is expected as most women entrepreneurs, tend to cluster in dense markets and overcrowded cities (National Baseline Survey, 1999). This would suggest lack of information on their markets and innovation, as most of them continue to duplicate what others are already doing. The competition in crowded markets (Red Ocean) fails to create new demand in areas that are ripe for growth (Blue Ocean). Blue Ocean strategy by Kim and Mauborge (2010), believe competition can be made irrelevant by creating opportunities in the uncontested ocean. In the red oceans, industry boundaries are defined and accepted, the rules of competitions are also well known. Blue oceans, in contrast, are defined by untapped market space, demand creation, and the opportunity for highly profitable growth. Although competition is viewed as the most pressing it is ranked differently by each SME, this indicates it is not the same to all. It is also possible that women entrepreneurs in SMEs embrace competition as a way of doing business in a free market while others fear it (Mauborge, 2010).

RESEARCH METHODOLOGY

The study adopted a descriptive survey design. The population of interest was women entrepreneurs and their representatives' heads in the Kajiado Town. Currently the total women entrepreneurs registered at this town stands at 218 (Bureau of Statistics, 2016). Stratified random sampling technique was used to select the sample. The technique produced estimates of overall population parameters with greater precision. The study employed the use of questionnaires to collect primary data through interviews as research tools (Kothari, 2005). A pilot study was carried out in an attempt to predict an appropriate sample size and improve study design to performance of full scale.

RESEARCH FINDINGS AND DISCUSSION

The study targeted 65 respondents in collecting data with regard to the challenges that faced performance of women entrepreneurs in small and medium enterprises with specific reference to the SMEs within Kajiado town. From the study, 63 out of the 65 sample respondents filled-in and returned the questionnaires making a response rate of 96.9% which is excellent in research. On the age of respondents, 32% of the respondents were of an age category 46-55, 30% were between 36 – 45 years, 5% were aged between 18-25, 9% of the respondents were of the age category 26- 35 years. 12% were of age category 55 years and above, followed by those aged below 18 with no respondent at all (0%). These findings deduce that most of women entrepreneurs within the Kajiado town were of age category 46-55 which shows that they have been entrepreneurs for long period of time. On level of education, 28% of the respondents had primary education, 35% had secondary education 21% had diploma education; none had either a bachelor degree or master degree while only 16% had no formal education. This was an indication that most of the women entrepreneurs turned to business when they failed to continue with formal education at secondary school level. On working experience, 16% of the respondents had less than 1 year of working experience. 29% had 1 – 5 years of working experience, 44% had 6 – 10 years of work experience while 11% had 11 years and above of working experience. On marital status, majority of the women entrepreneurs, 48% were married, 25% were separated, 5% of them were divorced while only 11% were windowed and 12% were single. This was clear that most of the women entrepreneurs in the area were married as this was indicated by 48%.

Access to Finances

The study sought to establish the challenges facing the access to finance on the performance of women entrepreneurs within Kajiado town.

Source of capital:- The study sought to find out the source of capital for the women businesses. The research findings were indicated in the Table 1.

Table 1: Source of Capital

Source of Capital	Frequency	Percentage
Donations from relatives and friends	48	76
Bank Loan	3	5
Donations from Donors	4	6
Funds from Government	6	10
Others	2	3
Total	**63**	**100**

Sufficiency of the Sources of Capital to Women Entrepreneurs: - The study sought to establish how sufficient the sources of capital were to the women entrepreneurs within Kajiado town.

Table 2: Sufficiency of Sources of Capital

Sufficiency	Frequency	Percentage
Very Sufficient	1	2
Sufficient	6	10
Moderately Sufficient	17	27
Little Sufficient	36	57
Not sufficient at all	3	4
Total	**63**	**100**

Challenges to Financial Accessibility in Business operation: - The study sought to find out the financial challenges to the business and the findings were presented in the Table 3.

Table 3: Challenges to financial accessibility

Financial Challenge	Mean	Stdv
Lack of Enough Capital	4.0	0.8213
Reduced Stocking	4.1	0.9325
Weak product competitiveness	3.0	0.3920
Poor Planning	3.8	0.6342
Others	2.3	0.8987

Challenges on Financial Access: - The study sought to find out the challenges on financial access to the women entrepreneurs and the findings were presented in the Table 4.

Table 4: Challenges on Financial Access to the performance of women entrepreneurs

Effect	Frequency	Percentage
Reduced Work output	30	48
Reduced Morale to work	18	28
Slowed decision making	12	19
Others	3	5
Total	**63**	**100**

Rating of Access to finance on women entrepreneurs: - The study sought to establish to rate the access of finances on the performance of women entrepreneurs within Kajiado town.

Table 5: Access to Finance

Financial Challenge	Mean	Stdv

Accessing financial support is a major challenge affecting women entrepreneurs	2.4	0.8981
Women entrepreneurs lack access to external funds due to their inability to provide tangible security	3.6	0.5963
Women entrepreneurs lack financial information	3.2	0.4240
High bank interest rates on loans is a major hindrance to accessing finances by women entrepreneurs	3.5	0.5020

Extent to which access to finances challenge the performance of women entrepreneurs: - The study sought to establish the extent to which access to finances challenge the performance women entrepreneurs in the businesses.

Table 6: Extent to which access to finances challenge the performance of women entrepreneurs

Extent	Frequency	Percentage
Very Great extent	22	5
Great extent	12	19
Moderate extent	18	29
Low extent	8	12
Very low extent	3	5
Total	**63**	**100**

Competition

The study sought to find out whether competition challenges the performance of women entrepreneurs within Kajiado town.

Challenges of Competition to Performance of Women Entrepreneurs: - The study sought to establish the challenges of competition on the performance of women entrepreneurs in Kajiado town

Table 7: Challenges of Competition on Women Entrepreneurs

Statement	Mean	Std. Deviation
Deploys Resources	2.5	0.9860
Creates an opportunity to serve customers better	2.3	0.7944
Leads to creative thinking	3.9	0.9620

Better customer services	4.4	0.2252

Ways of Marketing Products and Services:- The study sought to examine the ways through which women entrepreneurs use to market their products and services.

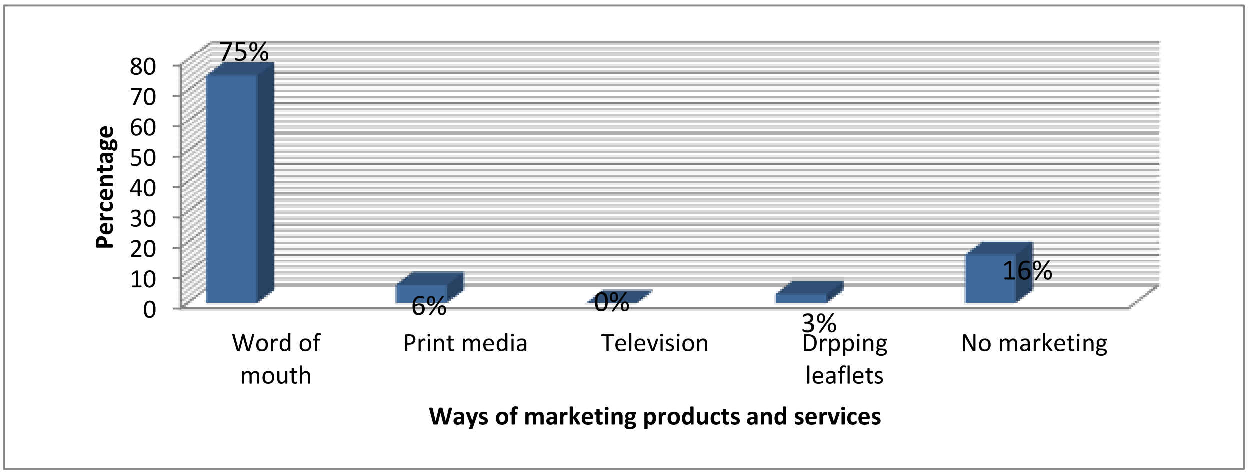


Figure 2: Ways of marketing products and services

From the research findings in figure 2 above, it was evident that majority of the respondents marketed their products and services through a word of mouth, 75%; 16% of the respondents indicated that they never marketed their products or services in any way, only 6% of the respondents said they marketed through media, 3% of the respondents used leaflets to market while none could afford to use television for marketing their products and services. This was an indication that most of the women entrepreneurs could not afford to market through other sources of marketing other than through the word of mouth, 75%. MSEs are usually not very competitive in terms of market knowledge, innovation, prudent investment, business operations and good management, which are important factors in improving the quality (Jane, 2011).

SUMMARY, CONCLUSION AND RECOMMENDATIONS

The study found out that the sufficiency of finances was of very little extent. The study established that women entrepreneurs got sources of capital in various ways which included donations from relatives and friends, bank loans, grants from donors, funds from the government and others specified other sources for instance, personal savings. Most of the women entrepreneurs relied on donations from relatives and friends for startup capital. From the findings of the study, most of the women entrepreneurs in SMEs lacked enough funds to expand their business or have a strong start. The study showed that they relied on donations from relatives and friends who could not offer finances to support their businesses operations once they are established. This hinders them from setting their targets and making goals in good time causing delays or closure of their businesses.

From the findings, competition from large firms challenged the women entrepreneurs in SMEs since large firms engaged in both wholesale and retail business activities. However, on the other hand the study found out the competition was health for the women entrepreneurs in SMEs, because it led to better customer services, creative thinking and fair distribution of resources. On how they advertise their products and services, so that they compete effectively, majority of the respondents indicated that they advertised through a word of mouth as it was cheaper compared to other ways of advertisement, which include media, dropping of leaflets and television.

Conclusions

The study concluded that the major challenge on performance to the women entrepreneurs in SMEs was access to finances. The financial institutions did not have an easier and faster method of issuing these facilities or making it easier to access without delaying if one has satisfied all the requirements. Women entrepreneurs in SMEs are also either illiterate and either have little information or no information at all on how to access finances. The women entrepreneurs in SMEs also find the process of accessing finance abit cumbersome since it involved a lot of paper work, and then the process took too long before it went through. Nevertheless, lack of tangible security was another major blow to the women entrepreneurs in order to have access to any financial aid by the financial institutions who also charge high interest rates hence repayment and running the business at the same time becomes hard.

The study further concluded that the big and large firms had posed a big competition challenge to the women entrepreneurs in SMEs within Kajiado town. This was because these firms had engaged themselves both into wholesale and retail business activities. Also, the women entrepreneurs lacked enough information or had no knowledge and skills on how to go about completion. More over due to their minimal level of entrepreneurial education the women entrepreneurs were a challenged lot when it came to competition since they have limited knowledge on creativity and innovation.

Respondents mentioned existence of unfair competition as a result of sale of counterfeit products and to good extend corruption, mainly by the superior firms. Eventually, this competition made the women entrepreneurs in SMEs within Kajiado loose customers. Concussively the women entrepreneurs in SMEs should be encouraged to embrace competition as a way of doing business in a free market instead of fearing it.

Recommendations

The study recommended that the financial institutions should set some simpler ways of accessing the financial facilities for the women entrepreneurs in SMEs and gave them at reasonable rate to enable them to repay with ease, including humble grace period, possibly of three months. Since most of the women entrepreneurs in SMEs within Kajiado town financed their businesses from bank loans, personal savings, loans from family and relatives, through government institutions, and through Non- Governmental Organizations (NGOs) as indicated above, the commercial banks should avail more credit facilities to the women entrepreneurs in SMEs. Further, NGOs and government institutions should grant women entrepreneurs some capital or some kind of seed money to help them fund their businesses. Women entrepreneurs should organize themselves in SACCOs to save for capital to finance and boost their businesses. The Central Bank of Kenya (CBK) should liaise with Commercial banks to lower interest rates to encourage more women entrepreneurs in SMEs to borrow money from the banks. Further, the banks should review their security to pledge criteria so as to encourage more women entrepreneurs in SMEs to borrow money from the banks. Over and above all central government and County governments should influence the Central Bank of Kenya and financial/commercial banks to put in place some polices which favour women entrepreneurs in SMEs so as to make it abit easy to access finances for their businesses.

The study in addition to that, recommended that women entrepreneurs in SMEs should create long term business relationships among themselves which would make it easy for them to compete effectively with the larger firms. Women entrepreneurs should enrol for entrepreneurship courses offered in tertiary institutions as well as Kenya industrial estates (KIEs) so that they learn the current innovative ways of competition.

Suggestions for future study

This study had investigated challenges facing the performance of women entrepreneurs in small and medium enterprises with specific reference to the women entrepreneurs within Kajiado town. To this end therefore, a further study should be carried on women entrepreneurs at other Counties in Kenya to see whether the same results also hold by testing the variables in this study on women SMEs. Moreover, a study should be carried out to investigate the challenges faced in accessing finances by women SMES within Kajiado town.

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