



PERCEIVED ROLE OF BUSINESS NETWORKING ON THE PERFORMANCE OF WOMEN OWNED ENTERPRISES IN KENYA: A CASE STUDY OF KENYA ASSOCIATION OF WOMEN BUSINESS OWNERS

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ABSTRACT

This study investigated the role of business networking in women owned enterprises in the context of the developing world and in Kenya in particular. There is hardly any evidence of studies undertaken on the role of business networking in women owned enterprises in Kenya and this study intended to fill this gap.

The study used a case study research design. The target population of the study was women owned enterprises in Kenya. Purposive sampling was used to obtain a sample from the accessible population. Data was collected using semi-structured questionnaires. To pilot the research instrument, the study adopted face validity and Cronbach alpha reliability estimate. Both quantitative and qualitative techniques were used to analyze data.

This study was expected to contribute to knowledge in the area of business networking of women business owners. The study results was expected to indicate if there were any significant relationships between structure of networks, relations in networks, in networks and performance of women owned enterprises in Kenya. Data was analyzed through Statistical Package for Social Sciences (SPSS) for windows version 21.

The study concluded that there was a very great role of business networking on the performance of women owned enterprises in Kenya. Structure of business networks, the different relations, were significant factors affecting the growth of businesses. The research findings were very important for the women entrepreneurs and any other person with the interest of these results. The researchers in the future will greatly benefit from the study's findings.

Key Words: *Business Networking, Performance*

INTRODUCTION

Small and medium enterprises (SMEs) account for a growing share of the work force in most countries. They tend to have more limited financial and human resources, less access to information, and shorter time horizons (Širec & Bradac, 2009). Their contributions are towards economic growth, exports, local development and innovation, making them to becoming very important. Resource constraints, environmental uncertainty and specific female aversion to risk-taking are some of the factors that the women consider before choosing the sector in which to start enterprises. They engage in activities with low entry thresholds and low financial risk.

Entrepreneurship all over the world is emerging today as an avenue for gainful employment, a means of helping women to assert themselves in the world of work, and a way of improving both their economic and social status. The women owned enterprises account for 25 to 33 per cent of all the enterprises across the globe but this figure in Africa is between 40 and 50 percent and in some countries up to 60 percent (Kiraka, Kobia & Katwalo, 2013). In developed countries women entrepreneurs have become a driving force in today's modern economy. They are able to shape and redefine the workplace, business networks, financial institutions and culture (Ozigbo & Ezeaku, n.d). Access to greater support from women mentors and role models and easier access to formal training in the principles of business planning and organization is available to these entrepreneurs.

Women entrepreneurs in Kenya face the challenge of managing their work with family and household affairs. The women have to carry out their domestic responsibilities, including housework, food preparation and childcare which mean that they spend less time in their businesses than men (Bula & Tiagha, 2012). Women engage in business to generate income and create jobs for the society which reduces the inequality between men and women. They are therefore more likely to operate their business from the home while men are located at trading

centres, commercial districts or roadside. On average, Kenyan women work 12.9 hours per day, which is 4.7 hours more than men work (Misango & Ongiti, 2013); Ellis, Cutura, Dione, Gillson, Manuel, & Thongori, 2007). They tend to perceive their business as a family affair such that the husband and other family's members tend to be part of the enterprise ownership structure though the woman is exercising control over its day-to-day operations. Business networks allow women entrepreneurs to have access to information on product innovative and new markets, chance to build partnership. The prevailing social norms and women's time burdens can make business networking a challenge for women (IFC & World Bank, n.d).

Kenya Association of Women Business Owners (KAWBO)

The women entrepreneurs in Kenya have formed eight (8) associations under the umbrella of the Federation of Women Entrepreneurs Association (FEWA) and Kenya Private Sector Alliance (KEPSA). The Kenya Association of Women Business Owners (KAWBO) is one of these associations with a current membership of one hundred and thirty (130). Kenya Association of Women Business Owners is a member of African Business Women's Network (ABWN) whose goal is to build and support a network of women associations in Africa in order to increase the number of women succeeding as entrepreneurs. Its mission is to empower women in business to grow and excel (Mutegi, 2012).

Statement of the Problem

Bula and Tiagha (2012) state that the women enterprises in Kenya do not usually make business networking which they can use to improve their knowledge of operating successful business enterprises and Omwenga, Mukulu and Kanali (2013a) urge that women entrepreneurs face a shortage of peer support networks compared with men. Members of KAWBO feel that women entrepreneurs are not likely to be involved in the business networking activities

due to family commitments which are hindrances as much as they are aware that business networks are important in the survival and success of their enterprises (Mutegi, 2012). It has been noted that it is only ten (10) out of one hundred and seven (107) enterprises owned by members of Kenya Association of Women Business Owners that have been performing in the last three years ((Kenya Association of Women Business Owners, KAWBO, 2011).

Kenya Association of Women Business Owners (KAWBO) have been organizing for networking forums during breakfast meetings yet when the highly successful women entrepreneurs are recognized so that others can benefit from their knowledge and experience there is only 4% of them seems to be in this category (Gachenge, 2009). Lack of use of business networks by SMEs limit in acquisition of resources and knowledge essential for enterprises survival and growth (Schoonjans, Cauwenberge & Bauwhede, 2011). Women SMEs that do not rely on business networks suffer from isolation in the current globalized market where they can export their products (Rutashobya & Jaensson, 2004).

Local scholars like Stevenson & St-Onge (2005a) have written on support for Growth-oriented women entrepreneurs in Kenya and Misango & Ongiti (2013) on the role played by women entrepreneurs in reducing poverty. The factors which affect the uptake of mentorship services by women entrepreneurs in Kenya through a case study of the mentorship programme of KAWBO has been looked at by Mutegi (2012). This study intends to enrich literature on business networks, knowledge on women entrepreneurship and fill the knowledge gap.

General Objective

The key objective of this study is to explore the role of business networking on the performance of the women owned enterprises in Kenya by carrying out an in-depth study of Kenya Association of Women Business Owners (KAWBO). This is supported by the specific

objectives which are the effects structure of business networks and relations on the performance of the women owned enterprises in Kenya.

Research Questions

- i) How does structure of business networks affect the performance of women owned enterprises in Kenya?
- ii) To what extent do relations affect the performance of the women owned enterprises in Kenya?

Scope of the Study

This study focused on women entrepreneurs who are registered members of the Kenya Association of Women Business Owners (KAWBO). The association is based in Nairobi and its membership is largely made up of women entrepreneurs operating small and medium enterprises within Nairobi County.

LITERATURE REVIEW

Theoretical Review

a) Female Entrepreneurial Networking Model

The model identifies four different types of female entrepreneurs as business networks changes them with time and their level of confidence. The model offers an interpretation of the relative levels of reliance on the network membership of female entrepreneurs. The core constituents of the networking model are the length of time a female entrepreneur is in business, which reflects her level of knowledge (both experiential and learned knowledge), and her personal level of confidence in herself as a business person (which seems to be reflected by her length of time in business and the variety of that experience) (Carter, Henry, Cinnéide & Johnston, 2007).

| Confidence levels: | Short-time | Long-time |
|------------------------|---|--|
| High confidence | 'Wannabe' | 'High-flyer' |
| | Less reliance on all-female network members and move towards building and extending their networks towards a mixed gender network | No association with all female network members: a mixed network approach (non-gender-specific) |
| Low confidence | 'Early learner' | 'Myopic' |
| | Initially core reliance on all female network members (gender-specific) | Extensive dependency on all-female network members with no extension of networks |

Figure 1: Carter, Henry, Cinnéide & Johnston (2007) female entrepreneurial networking model.

In the quadrant of the 'early learner' approach to networking, the core reliance is, at least initially, solely on all-female networks. At this time confidence is relatively low, particularly in the early stages of the new venture (Carter, Henry, Cinnéide & Johnston, 2007). The reliance is on personal contacts, especially social networks, including husbands, parents and other females who have strong tie. The female entrepreneurs at this point have small network size. Strong ties, made up of people who know the entrepreneur almost too well, may cease to be able to provide objective guidance and advice (Littunen & Niittykangas, 2010). Any competent utilisation of such networks by the female entrepreneur would be expected by her to increase her sense of confidence as an entrepreneurial networker, and to increase her ability to voice her views and opinions in what was perceived as a 'safe' environment. If the early learner is well managed it increases the

female entrepreneur's prospect of successfully developing mixed relationships of higher quality, in terms of more informed network members and a greater range of contacts (Carter, et al, 2007).

The female entrepreneurs in the 'Wannabe' quadrant are those who have set up a new venture, had been in business for a period of a couple of years, and looking to move towards becoming an established firm. In other words, they are seeking to extend their networks beyond female only. They see this as essential if they are to grow their business. Thus, they hope to move to the 'high-flyer' quadrant, they are effectively 'wannabe' high-flyers. These are females who clearly possess the entrepreneurial characteristics. They are keen to utilize networks in a manner that is increasingly conscious and focused on getting advice from other females in order to overcome particular issues, and to access information and advice for decision making (Carter, et al, 2007). The women entrepreneur at this stage starts to recognize the need for wider networking so as to increase their network size (Ongong'a & Abeka, 2011) and was taking the initial steps towards developing and expanding networking activities to include male contacts. In this stage of the model, the women entrepreneur appear to be developing mixed business relationships, fostering networking with business organizations in the industry and encouraging other women to do likewise. At this level, females become less involved in organized all-female networking activities and recognize the need to source other informed, knowledgeable and experienced people for inclusion in their networks, regardless of gender (Carter, et al, 2007). The business networking activities identified appear to be conducted in a more 'conscious' manner in order to benefit the venture's growth and to increase awareness of the company.

The 'myopic' networking quadrant includes female entrepreneurs who, despite being longer in business, were perceived to have a lower

confidence level, and thus, have failed to explore other networking opportunities. Hence, they remain reliant on contacts from their all-female network. Within this quadrant the potential for continued growth and development will be stifled because of the continuing reliance on largely all-female networks and a failure to take action to develop more mixed networks, deemed so crucial for the transition from new venture to established growth-focused firms (Carter, et al, 2007). The prospects for these 'myopic' female networking types are limited. Thus, their view is relatively myopic or short-sighted with reference to the benefits of networking in order to develop the company and their level of networking is low (O'Donnell, 2004). As such, the prospects of continued entrepreneurship in these circumstances are also seen to be limited. Growth is not a priority for female entrepreneurs in this 'myopic' quadrant and, as such, the quadrant will contain those female entrepreneurs who run 'lifestyle' entrepreneurial businesses.

Female entrepreneurs in this quadrant have more established businesses. They utilize their business networking for the benefit of growing and developing their enterprises (Carter, et al, 2007). Thus, the gender issue had become essentially irrelevant. The female entrepreneurs in this quadrant are more proactive in their networking activity which are planned (O'Donnell, 2004). Any female contacts were much less visible. However, the 'high-flyer' female entrepreneur are involved within the networks of female entrepreneurs are deemed important to and contribute to their efforts to grow their enterprises and not because they were women. Hence, the individuals who made up the networks of the females in this quadrant are utilized because of the importance they placed on their valuable knowledge, experience and expertise, as opposed to their gender (Carter, et al, 2007). In other words, individuals were sought who best could assist the entrepreneur in meeting the challenges she

faceted within her changing environment. Therefore, by this stage of enterprise development, network composition tended to be non-gender specific.

b) Structural Hole Theory

Burt's (1992) structural hole theory focuses on the pattern of relationships in a social network, i.e., whether the members of an individual's social network are connected to one another. A structural hole exists when there is no connection between two members of a social network. One key advantage of having structural holes is that members of a network who do not know one another are more likely to provide access to diverse information. The structure of network have attributes which include the centrality of an actor's position, the extent of network closure and the degree of disconnectedness (or 'structural holes') between contacts (Rodan, & Galunic, 2004).

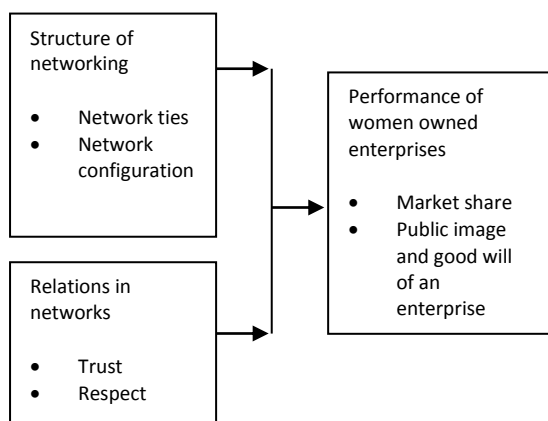
Network structure doesn't predict attitudes or behaviors directly. It predicts similarity between attitudes and behaviors. Wealthy people develop ties with other wealthy people. Educated people develop ties with one another. Young people develop ties with one another. There are reasons for this. Socially similar people, even in the pursuit of independent interests, spend time in the same places. Relationships emerge. Socially similar people have more shared interests.

A structural hole is a relationship of non-redundancy between two contacts. The hole is a buffer, like an insulator in an electric circuit. As a result of the hole between them, the two contacts provide network benefits that are in some degree additive rather than overlapping (Burt, n.d). A strong relationship indicates the absence of a structural hole. Examples would be father and son, brother and sister, husband and wife, close friends, people who have been partners for a long time, people who frequently get together for social occasions, and so on. Members of an open network structure with a structural hole have a loose connection and

have fewer redundant external connections. The structural hole functions as a bridge so that members of the network can obtain more information and opportunities quickly and controllably (Kenny & Fahy, 2011). Because of their key position and lack of redundant external connections, some firms monopolize or accumulate too much information and take the risk of depending on a non-redundant connection.

The structural hole, which is defined as a network position that connects otherwise disconnected individuals (Burt, 1992). Structural holes lead to positive outcomes, such as promotion, higher salary, career satisfaction (Seibert et al., 2001), and individual performance (Cross & Cummings, 2004; Mehra, Kilduff, & Brass, 2001) because actors who take structural hole positions gain non redundant information and enjoy controlling information flow between two actors or groups of actors.

Conceptual Framework



Independent Variables

Dependent variable

Figure 2: Conceptual Framework

Structure of Networks

It is important for networks to have structures so that the development and utilization of social

capital in the business networks is possible. A network with good structure is one which has knowledge of the appropriate network channels to use in effective communication, in other words, availability. Timing is a consequence of both knowledge and a network structure, which means that organizations that can communicate more quickly are likely to possess organizational advantage (Widen-Wulff & Ginman, 2004). Formal networks are public, officially recognized within the organization and with identifiable memberships and explicit structure therefore they will be more accessible for change policies to advance women’s careers or businesses (Littunen & Niittykangas, 2010). They can be expected to be associated with increased personal satisfaction because they may increase the strength of relationship among their members. Female entrepreneurs are involved in informal business networking activities that are largely informal, based on consultation with family members and friends, particularly with husbands or life partners. Women entrepreneurs’ take informal networking was undertaken on a very casual basis and, to a certain extent, it can be natural and subconscious (Littunen & Niittykangas, 2010). Through weak ties, family and friends, network members are given access to new information and opportunities (Berggren & Silver, 2009). The boundary of weak ties appears to be dependent on culture. Some cultures tend to develop strong trust in the immediate vicinity while harbouring strong distrust for everyone outside that immediate environment

Relations in networks

Relations in networks involve the concept that mutual interaction, human relationships have been built in the network and assets have been created and utilized through the relationship. Respect, trust, trustworthiness and friendship are highly valued in human relationships (Su,

in the willingness of network actors to share information and its lack may lead to competitive confusion about whether or not a network firm

is a supporter. As trust develops over time then opportunities for knowledge transfer amongst the network members should increase (Inkpen & Tsang, 2005). Trust determines the strength of network ties in a network together with the amount of time, emotional intensity, intimacy, reciprocal services of the tie, regularity of the use of the relationship, its level of maturity and nature of past experiences between the actors. The network ties can be strong or weak in nature (Eisingerich & Bell, 2008). In the strong ties the small business owners can count on the other actors while in the weak ties the relationship is superficial or causal, in which people have little emotional investment. Strong ties are typically found amongst concentrated groups of actors with behavior being underpinned by trust and a sense of obligation between individuals (Leek & Canning, 2011). A weak network tie is rarely used and the entrepreneur and actor usually spend little time networking and this indicates a low level of intensity, intimacy and trust. An actor in a network is willing to share information to others without expecting anything back. Women entrepreneurs combine both the weak and strong ties in their networks in enhancing the quality of their networks in effectiveness in identifying new opportunities and gaining access to scarce resources. Once the quality of the women networking activities are enhanced so that they are able to develop and grow their enterprises (Hampton, McGowan & Cooper, 2011). An entrepreneur who has a strong network ties can easily identify and acquire resources needed for better performance. The presence of a balanced network consisting of both weak and strong tie is ultimately more valuable to women entrepreneurs (Hoang & Antoncic, 2003). From a social norms perspective, trust is generated as a result of social norms. Social norms generate shared expectations among people on various social levels. For example, inherent moral obligations generate trust, which in turn, constrains opportunistic behavior. According to a social embeddedness perspective, trust is generated

as a result of personal relations that arise in the course of economic transactions (Moeller, 2010). Inherent personal obligations generate trust, which in turn, also constrain opportunistic behavior.

Empirical Review

There are many factors that affect the networking of firms. Farinda, Kamarulzaman, Abdullah, and Ahmad, (2009) suggests that necessity, reciprocity, efficiency and stability are the main factors that influence the networking of SMEs. This suggests that there are many reasons why SMEs networks and an exhaustive investigation of all these factors is not feasible. However, because SMEs lack funds to invest in human resources, the owners are usually the managers of these firms. Therefore, investigating the factors that affect the SME owner directly (entrepreneurial characteristics) and the factors that affect the SME directly (firm characteristics) is essential to determine the networking of the SME (Machiro, 2012).

Greve and Salaff (2003) found that age has a positive impact on networking. The authors argue that as SME owners grow older, the level of networking will also increase due to the sustained relationships and contact building that would have developed over time. Thus, older SME owners will have to build a stronger and wider social capital as compared to younger SME owners. However, King, Townsend and Ockels (2007) dispute the fact that the age of an SME owner will affect the networking of the SME. King *et al.* (2007) argue that younger entrepreneurs actually network as much as older entrepreneurs and SME owners. This is attributed to the "digital evolution" where information sharing is profound. In addition, while older SME owners network through experience and long-term accumulation of contacts, younger SME owners are extremely networked, both in their social networks and in their business networks through the digital evolution.

Greve and Salaff (2003) found that an SME owner with a better education will also be more likely to network more than an SME owner with less background education. This may be because educated SME owners are aware of the benefits of networking. MacGragor (2004) also found that the education level of an SME owner or Chief Executive Officer (CEO) is positively associated with the networking of the SME and the types of networks an SME is engaged in. Firm characteristics refer to the factors that are inherent in the business or firm and may include, but are not limited to, the age of the SME, the size of the SME, the industry the SME operates in, the legal status of the SME and access to credit.

According to Human and Provan (2000) the legal status of the SME will affect the networking by that SME. The authors find that sole traders are affected by their size and legal status and will most likely utilise social networks of friends and family. An SME registered as a company will have benefits of a separate legal entity which improves the legitimacy of the firm. These firms will likely participate in general and managerial networks than social networks of friends and family. However, Li, Serra and Ferreira, (2010) find that whether a firm is a privately owned sole proprietor business or whether it is a registered company, there is no effect on the likelihood to participate in different types of networks.

BarNir and Smith (2002) found that the sector (industry) an SME operates in is positively related to the networking of the SME. Similarly, Luo (2003) asserts that the level of networking increases when uncertainty, regulation and competition increase depending on the industry. In addition, Luo also found that the link between networking and industry dynamics is moderated by the firm's pro-activeness. However, MacGregor (2004) could not find any significant association between the business sector of SMEs and the networking of that SME. Callaghan and Lenihan (2008) evaluate the impact of

industry type on the types of networks enterprises will engage in.

These theories of networking differentiate between networking with individuals (social networks) and networking with enterprises (business networks). In line with this, empirical literature also differentiates between different networks. Ngoc and Nguyen (2009:871) suggest that networks can be categorised as either official networks, managerial networks or social networks. Official (general) networks involve membership in trade associations (Pandula, 2011; Ngoc and Nguyen, 2009) ties with government officials (Talavera *et al.*, 2010) use of accountant (Watson, 2007) relationships with external consultants (Thrikawala, 2011). Managerial networks involve networks with suppliers, customers as well as similar enterprises (Ngoc and Nguyen, 2009; Thrikawala, 2011). On the other hand, social networks involve networks with family and friends as well as membership in social clubs (Atieno, 2009). This broad categorisation allows for the integration of the different network types and examination of their impact.

Atieno, (2009) also found that membership in trade associations as well as linkages with financial institutions are positively associated with SME performance. Business associations conduct seminars and workshops to develop various skills and knowledge of the members or on preparing project proposals for banks and managing finances in the business (Pandula, 2011:262). Training, seminars and trade fairs are assumed to provide information that will assist firms in accessing bank loans. In addition, the use of external consultants and accountants also brings formality to firms and is expected to provide business support to firms (Nguyen, Alam, Perry and Prajogo, 2009:61). Watson (2007:856) finds that use of external accountants and consultants may improve the performance of SMEs.

Managerial networks involve networking with suppliers and customers as well as networking

with similar enterprises and they help in increasing the legitimacy of firms (Ngoc and Nguyen, 2009). Khwaja, Mian and Qamar (2011) find that managerial networks of firm owners may improve the sharing of information and contacts. Through information and contact sharing firms with owners/managers involved in that network will gain legitimacy. In addition, managerial networks will enable a firm to gain more clients, business associates, suppliers, and technical and market knowledge (Farinda, Kamarulzaman, Abdullah and Ahmad, 2009:152).

Social networks with friends, family and belonging to a social club or association is important especially for SMEs (Kadushin, 2004:4). Florin, Lubatkin and Schulze (2003:375) suggest that social networks can provide value to members by allowing them access to the social resources embedded within a network as well as access to influential individuals. The resources embedded in social networks will reduce the amount of time and investment required to gather information and improve performance (Zhang, Cavusgil and Roath, 2003, cited in Chen and Chao, 2006:346). It is beneficial for enterprises to accumulate their social network as it promotes their business size, market share and performance (Chen, Tzeng, Ou, and Chang, 2007:227).

Critique of Existing Literature

Past research has shown women entrepreneurs in Kenya as in other developing countries having been faced with many constraints that have hindered their participation in entrepreneurship. The resource based view tends to limit the innovation that is a main key in the entrepreneurship and in any firm employees are not tied to the firms as they can move to greener pastures where they expose the resource or idea that has been a success of a firm. The dimensions in the social capital in networking are related to each other so that there is no clear boundary amongst them. This has led to some researchers when studying

networks to using different variables as they are very many.

In the entrepreneurial context networks are relationships an individual has been considered instead of the entrepreneur. Business to business networks have also been considered in a few of the studies. The structures of networks is one of the dimension that have been studied by different researchers (Yli-Renko, Autio & Sapienza, 2001); (Widen-Wulff & Ginman, 2004); (Inkpen & Tsang, 2005); (Su, Lee & Tsai, 2005); (Chiu, 2009). Yli-Renko, Autio & Sapienza, (2001) considered the customer ties where a key customer may act as a link to a broad marketplace, connecting the young firms with other customer.

Social interactions has been studied as the relational component of network and are developed over time which requires that entrepreneurs meet frequently some information can be exchanged (Yli-Renko, Autio & Sapienza, 2001). Trust in the relations of a network have been studied and how to build a higher degree of trustworthiness in the network (Su, Lee & Tsai, 2005). Strong relational capital between partners has been found to foster timely and accurate exchange of information across interface (Kale, Singh & perlmutter, 2000).

Research Gaps

Network range of small and medium sized enterprises has been found to have a positive relationship with resource acquisition (Ge, Hisrich & Dong, 2009). The broader the network is the more resources the firm can come into contact with and the more easily it can acquire necessary resources. Younger firms were found to have had a hard time in forming alliances with dynamic and complex market, lack a good established reputation. The nature of networking in small firms study was based on how networking contributes to small firm marketing (O'Donnell, 2004). The study concluded that the owner/manager of small

enterprises generally engage in networking extensively and proactively. A study on business networks and internationalization of contractors from developing countries concluded that the contractors entrepreneurs' success in overseas countries' is owed to the business networks (Abdul-Aziz & Wong, 2011).

Past research by Omwenga, Mukulu & Kanali, (2013) on improving the women entrepreneurs in small and medium enterprise in Nairobi County found that networking is one of the determinants of the performance of women entrepreneurs in Kenya. A study on the influence of socio- economic characteristics of women entrepreneurs on the performance of their micro- enterprises in Eldoret Municipality in Uasin-Gishu County by Tubey, (2013) concluded that networking gives women the opportunity to end their isolation and, above all, gives them access to strategic information. These previous studies on performance of women entrepreneurs made their knowledge contribution, but this study will assess role of business networking on performance of women owned enterprises in Kenya. This study seeks to fill this knowledge gap by carrying out an in-depth investigation of the effect of the business networking on the performance of the women owned enterprises in Kenya.

RESEARCH METHODOLOGY

Research Design

This study used case study research design. However due to the type of questionnaire that were used (mainly closed-ended questions with a one open ended question) the study generated both quantitative and qualitative data (Sekaran & Bougie, 2009).

Population

The accessible study population of this study consisted of owners of enterprises registered members of Kenya Association of Women Business Owners. Networks and business associations play an important role in support,

training, information management, and access to mentors, role models, and resources, as well as forums for advocacy for women in business (World Bank, 2011).

Sample Size and sampling technique

The sampling frame of this study was the small and medium enterprises in the service and manufacturing sectors. The study adopted a census. The group is often an actual national population, but it can also be all houses, businesses, farms, books in a library,

This study adopted purposive sampling technique so that the sample was made of women entrepreneurs who have been with the KAWBO for the last three years. The table below shows the distribution of women owned enterprises who are members of Kenya Association of Women Business Owners (KAWBO).

Table 1: Sample Size and Sampling Technique

| Sector | Population | Percentage | Sample size |
|---------------|------------|------------|-------------|
| Services | 80 | 74.77 | 80 |
| Manufacturing | 27 | 25.23 | 27 |
| Total | 107 | 100 | 107 |

Data Collection Instruments.

The study made use of a questionnaire and an interview guide. This study used a semi-structured questionnaire based on a five-point likert scale to collect primary data. The open and closed questions helped in gathering in-depth information so that the study got a complete and detailed understanding of the issue under research.

The semi-structured questionnaires were self-administered to the respondents. The questionnaires were personally administered to the respondents.

Data Analysis, Processing and Presentation

In this study, data was organized into thematic areas, coded, scored and keyed into a computer with each score being assigned a specific weighting for meaningful interpretation as per the objectives of the study. Data will then be analyzed using the Statistical Package for Social Studies (SPSS) Version 21.

One way ANOVA was used to assess the effects of each independent variable on the dependent variable (Fausset, Rogers, & Fisk, 2009). The ANOVA was used in the study of 'how network competence and network location influence innovation performance' (Chiu, 2009).

The researcher also computed the partial correlation coefficient (r) for each independent variable against the intervening variable, holding all the other independent variables constant as recommended by Kothari, (2004). A partial correlation was also done between the intervening variable and the dependent variable. This assisted the research determine the relationship or lack of relationship between each of these variables, the direction of relationships and the strength of the relationship. In this study, a simple regression analysis and a multiple regression analysis was done. The multiple regression equation took the form:

$$Y_i = \alpha + \beta_1 (SN) + \beta_3 (RN) + \epsilon$$

Where; Y_i =Performance of women owned enterprises

SN= Structure of networking

RN= Relations in networks

ϵ is the error term (the error of prediction)

α is a constant which is the value of dependent variable when all the independent variables are 0.

FINDINGS AND DISCUSSION

Response Rate

From the 70 questionnaires administered, 46 were filled and returned. This represented a 65.57% response rate, which is considered satisfactory to make conclusions for the study.

Pilot Test Results

A pilot study was carried out with 12 women-owned enterprises who are registered members of Kenya Association of Women in Tourism.

For reliability analysis Cronbach alpha was calculated by application of SPSS. As the alpha coefficients were all greater than 0.7, the conclusion was drawn that the instruments had an acceptable reliability coefficient and were appropriate for the study.

Table 2: Reliability Analysis

| Variable | Cronbach alpha | No of items |
|---|----------------|-------------|
| To find out whether structure of business networks affect the performance of the women owned enterprises in Kenya | 0.721 | 42 |
| To determine whether relations in networks affect the performance of the women owned enterprises in Kenya | 0.768 | 43 |

General Information

Age of women entrepreneurs

From the analysis, age greatly influenced the entrepreneurial ability in women. This is because the sampled population revealed that majority of the women entrepreneurs were aged above 40 years. The proportion amounted to a percentage equal to 56.9% of the entire population. The second largest age group of women entrepreneurs was that of between 31-40 years. This group contributed a percentage equal to 18.9% of the entire population. The other two age groups constituted percentages equal to 15.3% and 8.9% for the 26-30 years and below 25 years age groups respectively.

Number of years as an entrepreneur

Majority of the women entrepreneurs had experience of between 5 to 10 years. This group

had a percentage equal to 40.8% of the sampled population. The second largest group had experience of more than 10 years with a percentage equal to 36.2% and lastly was the group with experience of less than five years with a percentage equal to 23.0%. This was an indication that there was less newcomers in the industry when compared to those already in existence.

Highest level of formal education

Analysis of the data on highest level of formal information revealed that women entrepreneurs who were members of Kenya Association of Women Business Owners had diplomas with a percentage equal to 26% of the total population. This group was closely followed by those who possessed certificates and university first degrees with percentages 15.3% and 12.5% respectively. The post graduate degree holders and vocational certificate holders had almost equal frequencies with percentages 9.4% and 9.9% of the total population. The other proportions were the secondary certificate holders, primary certificate holders and those who had none of the certificates with percentages 10.2%, 7.9% and 8.7% respectively.

Business ownership/ legal status

Most of the businesses owned by women entrepreneurs who were members of Kenya Association of Women Business Owners were under sole proprietorship with a percentage equal to 50.8%. The second largest business ownership or the legal status was the partnership with a percentage equal to 34.7% of the total population. A smaller proportion owned private limited companies amounting to 13.3%. Other modes of business ownership contributed a proportion equal to 1.3%.

Enterprise Business Sector

Women entrepreneurs who were members of Kenya Association of Women Business Owners owned businesses of small sizes. The study revealed that majority of the businesses had employees between 50 and 99. This amounted

to a proportion equal to 27.3% of the total businesses considered in the sample. The second largest group of women entrepreneurs had businesses with employees between 1 and 49 with a percentage equal to 25.5%. The rest of the women entrepreneurs were distributed in other business sizes of which the total was less than 50%.

Analysis of variables

a) Structure of Business Networks

1) Strong Family Ties

From the findings, 76% of the respondents indicated that they use their family members in running of their enterprises influence performance of the enterprises while 24% of the respondents indicated otherwise.

From the above findings, it was found that structure of business networks is crucial in the performance of women owned enterprises. The above findings also imply the development of strategic strong ties in women owned enterprises in cope with the changes in the performance of women owned enterprises.

2) Network Ties

Table 3 Network ties

| Statement of structure of network | Mean | Std deviation | Variance |
|--|------|---------------|----------|
| I had already met my main customers of my enterprise before I started operating it | 4.78 | 0.64 | 0.51 |
| I meet my suppliers more frequently during extra working situations rather than professional situations | 3.98 | 0.44 | 0.32 |
| I had already met my main suppliers of my enterprise before I started operating it | 3.72 | 0.41 | 0.27 |
| I consider information received from informal meetings to be more important compared to the one given by my close friends. | 4.43 | 0.71 | 0.32 |
| I am always cautious when my competitors provide any information on business | 4.47 | 0.59 | 0.35 |
| I do not feel comfortable when dealing with my competitors | 4.81 | 0.73 | 0.61 |
| Any person who leaves my network I longer contact them at all | 4.85 | 0.33 | 0.14 |
| I take my time before I can contact any new member in the network | 4.41 | 0.62 | 0.32 |

The study sought the extent to which women networks ties influence the performance of their enterprises. From the findings as shown in Table 4.6, majority of the respondents strongly agreed that lack of contacting any person who leave their networks hindered business performance, not feeling comfortable when dealing with their competitors affected enterprises performance and having met their main customers of their enterprise before starting to operate them affected the performance of their enterprises, as indicated by a mean of 4.85, 4.81, 4.78 and a standard deviation of, 0.33, 0.73 and 0.64 respectively.

b) Relations in Business Networks

1) Consultations within families

Table 4 Consultations within Families

| Consultations within families | Frequenc y | Percent |
|-------------------------------|------------|---------|
| Yes | 32 | 70 |
| No | 14 | 30 |
| Total | 46 | 100 |

From the findings in Table 4, 70% of the respondents indicated that women entrepreneurs in the same business network consult their families on the running of their businesses issues business influence performance of the enterprises while 30% of the respondents indicated otherwise. From the above findings, it was found that consultations within the families are crucial in the performance of women owned enterprises.

2) Business Information from family members

From the findings, 74% of the respondents indicated that women entrepreneurs in the same business network consider business information from their families influence performance of the enterprises while 26% of the respondents indicated otherwise. From the above findings, it was found that information provided by the families are crucial in the performance of women owned enterprises.

Table 5: Relations in Business Networks

| Statement on relations on business networks | Mean | Std deviation | Variance |
|--|------|---------------|----------|
| Women entrepreneurs belonging to a network have suppliers who are always willing to share new business ideas | 4.17 | 0.69 | 0.44 |
| Sharing of business information with my competitors without any fear is easier for women entrepreneurs who belong to the network | 3.46 | 0.12 | 0.11 |
| Women entrepreneurs share any kind of resources with other member of the network at anytime | 3.57 | 0.40 | 0.32 |
| Women entrepreneurs easily get any financial assistance from other members of networks than their family members | 4.61 | 0.56 | 0.36 |

| | | | |
|--|------|------|------|
| Good representation of women entrepreneurs in the same business network is important | 3.50 | 0.16 | 0.10 |
| Most people with who I have contact can be trusted | 4.32 | 0.26 | 0.22 |

The study sought the extent to which women entrepreneurs relations in business networks influence the performance of their enterprises. From the findings as shown in Table 5, majority of the respondents strongly agreed that women entrepreneurs easily get any financial assistance from other members of networks than their family members led to better business performance, women entrepreneurs contact the people they trust affected enterprises performance and women entrepreneurs belonging to a network have suppliers who are always willing to share new business ideas affected the performance of their enterprises and sharing their enterprises with their employees influenced the performance of their enterprises as indicated by a mean of 4.61, 4.32, 4.17 and a standard deviation of 0.56, 0.26 and 0.69 respectively.

Inferential Statistics

a) Correlations Analysis

Table 6: Correlation of the Study Variables

| | | Structure of Business networks | Relations in Business networks | Performance of women owned enterprises |
|--|---------------------|--------------------------------|--------------------------------|--|
| Structure of Business networks | Pearson Correlation | 1 | | |
| | Sig. (2-tailed) | 0.02 | | |
| | N | 255 | | |
| Relations in Business networks | Pearson Correlation | .0835(*) | 1 | |
| | Sig. (2-tailed) | .001 | | |
| | N | 255 | 255 | |
| Performance of women owned enterprises | Pearson Correlation | .748** | .821** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 |
| | N | 255 | 255 | 255 |

* Correlation is significant at the 0.05 level (2-tailed).

The study conducted a Pearson Correlation analysis for all the study variables and noted that there existed a very strong and positive correlation between role of business networking and performance of women owned enterprises at 95% confidence level.

The study sought to establish the strength of association between structure of business networks and performance of women owned enterprises. From Table 6, there was a strong and positive correlation having scored a correlation coefficient of 0.748 and a 95% precision level. The study revealed a positive, significant correlation between structure of business networks and performance of women owned enterprises, $r = 0.748$, $P = 0.00 < 0.05$. This indicated that women enterprises owned by women entrepreneurs who had high level of structure of business network would result to high performance of women owned enterprises.

The study also sought to establish the strength of association between relations in business networks and performance of women owned enterprises and established that there existed a strong and positive having scored a correlation coefficient of 0.821 and a 95% precision level. The study revealed a strong positive, significant correlation between between relations in business networks and performance of women owned enterprises, $r = 0.821$, $P = 0.01 < 0.05$. This indicated that women enterprises where women entrepreneurs were more creative, innovative, and hardworking and risk takers would perform better in the enterprises.

b) Regression Analysis

The study sought to establish the extent to which study variables structure of business networks, and relations in business networks the performance of women owned enterprises in Kenya.

The linear regression used in this model was:

$$Y_i = \alpha + \beta_1 (SN) + \beta_3 (RN) + \epsilon$$

Equation 1: Regression Equation

Where; Y_i =Performance of women owned enterprises

SN= Structure of networking

RN= Relations in networks

ϵ is the error term (the error of prediction)

α is a constant which is the value of dependent variable when all the independent variables are 0.

c) ANOVA

Table 7: ANOVA

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|------------|----------------|-----|-------------|------|-------------------|
| Regression | 61.995 | 2 | 5.166 | .679 | .642 ^b |
| Residual | 2883.411 | 379 | 7.608 | | |
| Total | 2945.406 | 391 | | | |

a. Dependent Variable: performance

b. Predictors: (Constant), Structure of networking, Relations in networks

From Table 8 the variable structure of business network had the most statistically significant coefficient as indicated by a t-ratio of 1.155. This implies that a one unit change in structure of business network will change the performance of women owned enterprises by 1.155 units. Relations in business network are statistically significant as indicated by a t ratio of 1.206 units. This implies that the two factors structure of business network, and relations in business network factors have great impact on the performance of women owned enterprises in Kenya.

Table 8: Regression results of relationship between Structure of Business Network, Relations in Business Network and Performance of Women Owned Enterprises

| Model | Unstandardized Coefficients | | Standardized Coefficients | T values | Sig. |
|-------------------------------|-----------------------------|------------|---------------------------|----------|-------|
| | B | Std. Error | Beta | | |
| Constant | 6.522 | 1.760 | | 3.965 | 0.000 |
| Structure of business network | .672 | .036 | .468 | 0.155 | 0.000 |
| Relations in networks | .889 | .260 | .379 | 0.206 | 0.000 |

a. Predictors: (Constant): structure of business networks, and Relations in business networks

b. Dependent: Performance of Women Owned Enterprises

The following represents the regression equation of the relationship between Performance of Women Owned Enterprises as the dependent variable (Y) and Structure of Business Networks and Relations in Business Network factors as independent variables (X's), with ϵ representing the error term.

$$Y_i = 0.566 + 0.155 (SN) + 0.206 (RN)$$

Where; Y_i =Performance of women owned enterprises, SN= Structure of business networks and RN= Relations in business networks.

d) Model Summary of Regression Analysis

From the results, the model shows a goodness of fit as indicated by the coefficient of determination (R^2) with a value of 0.566 in Table 9 below. This implies that the independent variables structure of business networks and relations in business network explain 56.6 percent of the variations of uptake of business mentorship services.

Table 9: Regression Model Summary Results of Structure of Business Networks factors, relations in business network factors and Performance of Women Owned Enterprises

| R square | Adjusted R | Std. Error of the Estimate |
|----------|------------|----------------------------|
| 0.567 | 0.566 | 7.6273995 |

Predictors: (Constant), business networks, role models, socio cultural factors

SUMMARY OF THE FINDINGS

The study made very many points of conclusion which were summarised in this sub topic. The study concluded that there was a very great role of business networking on the performance of women owned enterprises in Kenya. Structure of business networks and the different relations were significant factors affecting the growth of businesses. The research findings were very important for the women entrepreneurs and any other person with the interest of these results. The researchers in the future will greatly benefit from the study's findings.

Conclusion

The study concluded that there was a very great role of business networking on the performance of women owned enterprises in Kenya. The study revealed that the structure of business networks and the different relations were found to significantly affect the growth business.

Under the business networks, the study revealed that women were always cautious when their competitors provided any information on business. Any person who left the business network was contacted by the women entrepreneurs.

The study revealed that various relations helped to predict the growth of a business. The women entrepreneurs were found to ensure good relationships amongst themselves which helped them greatly in managing the business.

Recommendations

This study recommends that public awareness campaigns be initiated to change the mentality of Kenyans about women. It must be revealed to Kenyans that women entrepreneurs are achieving greater profits by availing good services and high quality products.

This study recommends that women who have not taken the steps towards owning business due to the fear, need to drop the fears and make it happen. This is because the women entrepreneurs have been revealed by this study to be equally competitive with their male counterparts.

Recommendation for Future Research

This research based its study in the Kenya Association of Women Business Owners. Therefore a recommendation for a broader research cutting across the whole nation is presented by this study in order provides the general picture for the whole nation about the study topic. If possible the research can also be extended to all other parts of the world to provide a better comparison of the role of business networking on the performance of women owned enterprises among many regions.

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