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INFLUENCE OF ENTREPRENEURIAL ORIENTATION ON GROWTH OF DAIRY AGRIBUSINESSES IN SMALL AND MEDIUM ENTERPRISES IN NAIVASHA SUB-COUNTY, KENYA

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ABSTRACT

The purpose of this study was to examine the influence of entrepreneurial orientataion on growth of dairy agribusiness in small and medium enterprises in Niavasha Sub-county, Kenya. The target population of this study was 133 dairy agribusiness in Small and Medium Enterprises in Naivasha-sub county. The study adopted a descriptive survey and a census was used for the data collected through the use of questionnaires. The data was analyzed with help of SPSS. The study adopted a regression analysis at 0.05 level of significance to determine strength and direction of the relationship of the variables under study. From regression model of growth of dairy agribusiness coefficient of determination R Square was 0.622 and R was 0.789. The coefficient of determination R Square indicated that 62.20% of the variation on Growth of Dairy Agribusiness was explained by the set of independent variables. The remaining 37.80% of variation in Growth of Dairy Agribusiness was explained by other variables not included in this model. This indicated that the set of independent variables were important factors that needed to be enhanced to boost growth of dairy agribusiness in the study area. The study recommended that entrepreneurs need to embrace pro-activeness in enterprises to seize new opportunities in the market. There is need for the entrepreneurs to have innovativeness in the enterprises to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes. Innovation is an important means of pursuing opportunities and so is an important component of entrepreneurial orientation. The enterprises should embrace risk taking propensity to increase the earnings. It will enhance the internal locus of control and a high need for achievement associated with higher performance by enterprises. The entrepreneurs were encouraged to be creative for example in the product design, knowledge related to product, technological expertise of knowing how to collaborate with specific relationships and the firms accumulated knowledge about the product. The business environment is dynamic and requires creativity to enhance growth of dairy agribusiness.

Key Words: *innovativeness, proactiveness, creativity, risk taking, agribusiness*

INTRODUCTION

Kenya's dairy agribusiness SMEs is dynamic and plays an important economic and nutrition role in the lives of many people ranging from farmers to milk hawkers, processors, and consumers. Kenya has one of the largest dairy agribusiness SMEs in sub-Saharan Africa. Though the last livestock census was conducted in 1966, the current official cattle population statistics come from the Ministry of Livestock and Development, through its field reports compiled by extension officials. The official statistics place the number of milking cattle at 3.8 million (KER, 2014). A survey conducted by Smallholder Dairy Project (SDP) asserts that there are approximately 6.7 million dairy cattle in Kenya (Larsen & Theus, 2009). The Food Agricultural Organization (FAO) on the other hand estimates a figure of 5.5 million milking animals (Cheruiyot & Kapkiyai, 2014). In Africa, Kenya is the only country, after South Africa that produces enough milk for both domestic consumption and export. Sudan on the other hand is the largest producer of milk in the Common Market for Eastern and Southern Africa (COMESA), but it does not produce enough to satisfy both domestic and export markets.

Kenyans are amongst the highest milk consumers in the developing world, consuming an estimated 145 liters per person per year, more than five times milk consumption in other East African countries (SDP, 2010). Among all developing countries, only Mongolians and Mauritanians consume more milk per dollar earned than do Kenyans (ILRI, 2007). Kenyans consumed about 3 billion liters of milk in 2010 with conservative milk demand estimates suggesting an increase of milk consumption of between 3 and 4 percent per annum, which is largely driven by increases in population, urbanization and incomes. At that time, it was expected that milk consumption would rise to 3.5 billion liters by 2010 and 4.2 billion liters by the end of the Strategy for Revitalization Agriculture (SRA) plan period (KNBS, 2012).

The dairy sector is very important in its contribution to the economies of both the developed and the developing countries of the world. However, there are big variations in dairy agribusiness SMEs production systems and productivity between the two. In the developed countries, the dairy agribusiness production is mostly by large scale enterprises with competitive management systems and high uptake of technology and big capital outlay while in the developing countries it is largely by small scale farmers with minimum management and technical skills, limited access to capital and low access to information. This has resulted to disparities in growth of dairy agribusiness SMEs levels in developing and developed economies (Cheruiyot & Kapkiyai, 2014)..

In Kenya, the small holder dairy industry is the single largest agricultural sub-sector, larger than even tea It contributes 14 percent of agricultural GDP and 3.5 percent of total GDP Although Kenya's smallholder dairy sector has a significant contribution to the national economy, household incomes and food security, the industry faces a number of technical, economic and institutional problems in milk production, processing and marketing. These constraints affect the ability of the sector to participate and compete in the domestic and regional markets (Wambugu, Kirimi and Opiyo, 2011). Dairy agribusiness SMEs in Kenya is predominantly by small scale farmers, who own one to three animals, and produce about 80 percent of the milk in the country. Dairy agribusinesses SMEs who are more than 1 million smallholders dominate the industry at the production level (Ndambi & Hemme, 2009). Data

from the ministry of livestock development (2010) provides that dairy cattle contribute 70 percent of total milk production and almost all marketed production. The dairy agribusiness SMEs grew by a very modest 9 percent over the nine years from 1998 to 2007, at an annual rate of only 0.96 percent. The average national dairy agribusiness SMEs is composed of 50 percent cows, 10 percent heifers of over one year, 11 percent heifers of less than one year, 17 percent bulls and bull calves, and 12 percent steers. Camels and local (meat) goats, and to a very small extent sheep, are important in the ASALs. Camels are particularly important in North Eastern Kenya and bordering areas, where a large community of Somali and related ethnicity are more familiar with camel milk.

Statement of the Problem

In Kenya, the dairy agribusiness SMEs is the single largest agricultural sub-sector and contributed 100 billion to the GDP in the year 2015.The country has dairy agribusiness based enterprises and is recognized in vision 2030 as an important driver of economic growth. Although dairy agribusiness SMEs products on average at national level have increased over the years, many dairy agribusiness SMEs growth rate is low (KNBS, 2014). This is due to increase in the number of challenges affecting the business while the existing enterprises have underperformed affecting their growth.

Despite the support from the government, the dairy agribusiness SMEs in Kenya has continued facing enormous challenges such as insolvency, mergers and acquisitions of underperforming SMEs with many of them closing down (FAO, 2013). The government has however continued supporting the Naivasha sub-county dairy agribusiness SMEs with little effort geared towards establishing the factors leading to the poor growth and collapse of these SMEs. Majiwa, Murage and Kavoi (2017) observed that over 50% of dairy agribusiness SMEs in the Naivasha Sub-County had closed down in the period between 2010 and the year 2016 while almost all the remaining dairy agribusiness SMEs were operating at below capacity. Similarly PDA (2014) reported a similar trend with the crop based companies in the region closing down or operating at below capacity. The dairy agribusiness SMEs in Naivasha-Sub County are characterized by low growth despite of the potential of the SMEs to expand, remain profitable and leading as a source of employment in the country (FAO, 2014). Could lack of entrepreneurial orientation be a constraint to the growth of dairy agribusinesses small and medium enterprises in Naivasha Sub-county, Kenya? This study therefore sought to investigate the influence of the selected entrepreneurial orientation factors that have significance in the dairy agribusiness SMEs growth in Naivasha Sub- County, Kenya.

Objectives of the Study

The purpose of this study was to examine the influence of entrepreneurial orientation on growth of dairy agribusiness Small and Medium Enterprises in Naivasha Sub-county, Kenya. The specific objectives were:-

- Examine how innovativeness influence growth of dairy agribusiness Small and Medium Enterprises in Naivasha Sub-county, Kenya
- Determine how proactiveness influence growth of dairy agribusiness Small and Medium Enterprises in Naivasha Sub-county, Kenya
- Establish how risk taking propensity influence growth of dairy agribusiness Small and Medium Enterprises in Naivasha Sub-county, Kenya
- Find out how creativity influence growth of dairy agribusiness Samll and Medium Enterprises in Naivasha Sub-County, Kenya

LITERATURE REVIEW

Theoretical Review

Theoretical review is a collection of existing theories and models from literature which underpin conceptual framework and subsequently inform the problem statement (Bernath & Vidal, 2008). Theories are analytical tools for understanding, explaining, and making predictions about a given subject matter. A theory is a set of statements or principles devised to explain a group of facts or phenomena especially one that has been repeatedly tested or is widely accepted and can be used to make predictions about natural phenomena (Batty & McAulay, 2016).Theories are important in predicting, explaining and mastering phenomenon (behaviour of systems, events, activities of employees and time). The theoretical framework of the current research is divided into two parts: first part provides an overview of the current theories about the independent variables, while second part refers to growth of Small and Medium Enterprises. The two informed the conceptual framework that is developed.

Diffusion of Innovation Theory

Diffusion of innovation theory predicts that media and interpersonal contacts provide information and influence opinion and judgment. The theory centers on the conditions which increase or decrease the likelihood that a new idea product or practice was adopted by members of a given culture. Kaminski (2011)) argued that innovation occurs in four stages: invention, diffusion (communication) through the social system, time and consequences. Then the information flows through networks and the nature of networks and the roles opinion leaders play in the networks determine the likelihood that innovation was adopted. Innovation diffusion research explains the variables influencing how and why the users adopt a new information medium such as the internet, with the opinion leaders personal leaders exerting influence on audience behavior. There are five adopter categories: innovators, early adopters, early majority, late majority and laggards. Innovators adopt innovation in the beginning at (2.5%) early adopters make up for (13.5%) a short time later the early majority (34%) the late majority (34%) and after some time the laggards make up for (16%).

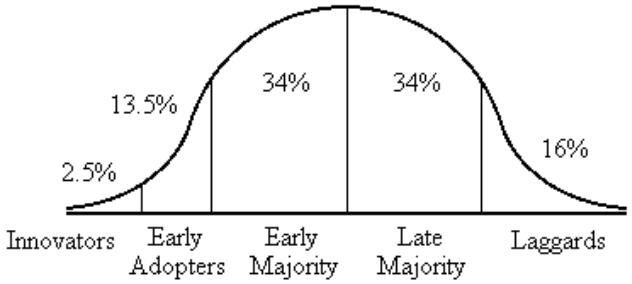

Figure 1: Hypothesized distribution of adopter categories within a typical population (Rogers, 1995)

Frank Knight's Risk Bearing Theory

Frank Knight (1885-1972) first introduced the dimension of risk-taking as a central characteristic of entrepreneurship. He adopts the theory of early economists such as Richard Cantillon and J. B. Say, and adds the dimension of risk-taking. This theory considers uncertainty as a factor of production, and holds the main function of the entrepreneur as acting in anticipation of future events. The entrepreneur earns profit as a reward for taking such risks. In his 1921 publication, he argued that due to this uncertainty perfect competition would not eliminate all the profits.

Componential Theory of Creativity

Componential theory of creativity proposes that organizational creativity appears at the interplay between organizational components that are deemed necessary for overall innovation such as organizational resources, management practices and organizational motivation. This theory is proposed by Amabile (Amabile, 2008).The componential theory of creativity is grounded in a definition of creativity as the production of new ideas or outcomes that are

both novel and appropriate to some goal. The theory proposes three components that are necessary for any creative response: domain-relevant skills, task motivation and teamwork (Amabile, 2008). Domain-relevant skills include Knowledge, technological expertise, and intelligence in the specific domain where the entrepreneur is focusing such as product design. These skills comprise the raw materials upon which the individual can draw throughout the creative process (Amabile, 2012).

Conceptual Framework

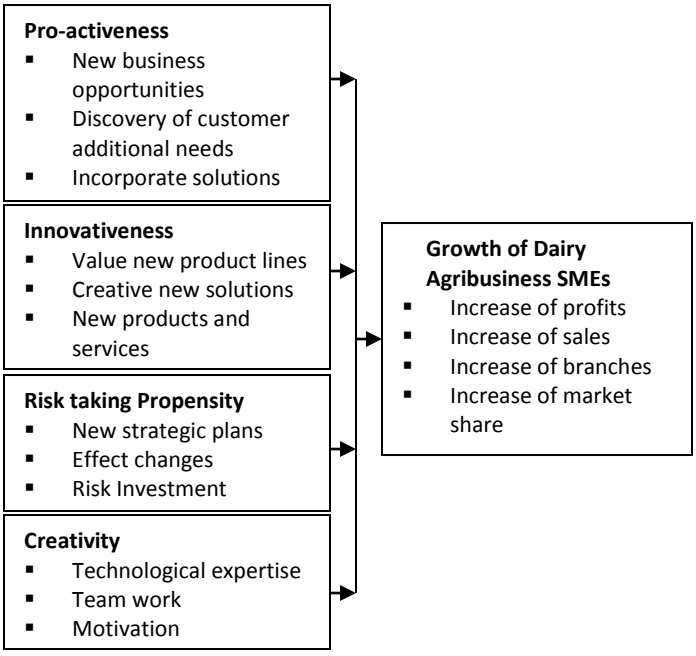

Figure 2: Conceptual Framework

Source: Author (2018)

Empirical Review

Pro-activeness

Wambugu, Gichira, Wanjau and Mungatu (2015) did a study on the Relationship between Pro-activeness and performance of Small and Medium Agro processing Enterprises in Kenya. The objective of the study was to establish the influence of pro-activeness on the firm performance of agro processing in small and medium enterprises in Kenya. Data was gathered from 111 agro processing in Small and Medium Enterprises who were registered members of Kenya Association of Manufacturers. Structural Equation Modeling partial least squares (PLS) approach using PLS algorithms and bootstrapping algorithms in Smart PLS 2.0 was used. Data analysis was conducted in two phases, measurement outer model estimation and structural, inner model estimation. The findings revealed that pro-activeness was a significant predictor of firm performance of agro processing in Small and Medium Enterprises in Kenya.

Innovativeness

Hughes and Morgan's (2007) study is the only one regarding the Entrepreneurial Orientation-performance relationship that has been identified, where the impacts of the single Entrepreneurial Orientation dimensions on performance have actually been measured. Hughes and Morgan (2007) collected data through a mail survey, where the managing directors of the firms were used as key informants. The data consisted of emerging young high-technology firms that were located at business incubators in the U.K. The median age of these firms was 2.5 years and they employed 6 people on average. They measured innovativeness by asking about finding new ways of doing things, creativity in operation methods, and active introduction of innovations in the business. Business performance was operationalized through customer performance and product performance. Customer performance was measured by examining, how effective the firm had been at attracting, retaining and sustaining customers and gaining repeated orders. Product performance was evaluated based on the relative success of the firm's products in generating sales and achieving market share.

Risk Taking Propensity

Hughes and Morgan (2007) evaluated risk-taking based on perceptions towards the term risk-taking and calculated risk, as well as based on a statement about exploration in business activities. Surprisingly, Hughes and Morgan (2007) found that risk-taking had a negative impact on product performance and no impact on customer performance. They argue that the reason for this finding may be that because risk-taking is normally costly due to competitor responses, it may lead to drift and wastage of resources as firms in their early stages do not have the coordination mechanisms in place to direct the risk-taking behavior in the best possible way. They suggest that risk-taking may be beneficial for more mature companies, but do not see it as beneficial at the embryonic stage.

Creativity

Ozge and Mette (2011) undertook a study on: Does organizing creativity really lead to innovation? The study was done in a particular region in Denmark to analyse whether organizational creativity does lead to innovation in small firms. A sample of 147 firms was used. They found out that organizing creativity does lead to innovation but only product innovation. Also encouraging employees for innovative behaviour in a stimulating work environment, allocating resources and providing idea time played a crucial role in stimulating creativity and supporting product innovation. Another finding was that high levels of freedom are found to be acting against product innovation. There was no relationship between organizational creativity and process innovation.

METHODOLOGY

The study was a descriptive research that employed a descriptive research design. This was because the study intended to obtain an in depth understanding on the influence of entrepreneurial orientation on growth of dairy agri-business in Small and Medium Enterprises in Naivasha Sub-county, Kenya. The study considers this design appropriate since would contribute towards minimizing bias hence maximize reliability of the data. The target population of this study was 133 dairy agribusiness Small and Medium Enterprises in Naivasha-sub County. The study also applied multiple regression analysis to analyze the degree of relationship between the variables and was as follows:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$, Where; Y= Growth of dairy agribusiness

β_0= constant (coefficient of intercept);

X_1= Innovativeness (independent variable);

X_2= Pro-activeness (independent variable);

X_3= Creativity (independent variable);

X_4= Risk taking (independent variable);

ε = Error term; $\beta 1 \ldots \beta_4$= regression coefficient of four variables.

RESULTS

Pro-activeness

The study sought to assess the influence of pro-activeness on the growth of dairy agribusiness enterprises in Naivasha Sub-county, Kenya. The study findings in Table 1 indicated that the respondents indicated to a great extent that the business constantly looked for new business opportunities to increase the profits than our competitors (3.323); The business trieed to discover customer additional needs to increase the market share than our competitors (3.235). The business incorporated solutions for new business opportunities to increase the profits than our competitors (3.112); The organization staff had met customer needs as the main objective to enable establishment of new branches (3.452); The business constantly looked for new business opportunities to increase the market share than our competitors (3.215). The business incorporated solutions to unarticulated customer need in our products and services to increase our market share (3.432).

Table 1: Pro-activeness

Statement	%	Mean	Std
The business constantly look for new business opportunities to increase the profits than our competitors	35	3.323	.654
The business try to discover customer additional needs to increase the market share than our competitors	45	3.235	.347
The business incorporate solutions for new business opportunities to increase the profits than our competitors	33	3.112	.216
The business constantly look for new business opportunities to increase the market share than our competitors	22	3.452	.652
The business share marketing efforts try to lead customers rather than respond to them to enhance the market share	46	3.215	.890
The business incorporate solutions to unarticulated customer need in our products and services to increase our market share	46	3.432	.217
Composite Mean		**3.050**	

Innovativeness

The study sought to assess the influence of innovativeness on the growth of dairy agribusiness enterprises in Naivasha Sub-county, Kenya. The study findings in Table 2 the respondents indicated to a great extent that the business highly valued new product lines to increase profits than our competitors (3.327); The collateral requirement from financiers had affected opening of the business new branches (3.228); The business did problem solving through the creative process of new solutions more than solutions that rely on conventional wisdom to enhance market share than our competitors (3.543); The business was often the first to market with new products and services thus had a larger market share than our competitors (3.654); The business competitors in this market recognize us as leaders in innovation as we value new product lines to increase our market share (3.170).This imply that innovativeness on growth of dairy agribusiness in SMES in Naivasha Sub-county, Kenya.

Table 2: Innovativeness

Statement	%	Mean	Std
The business highly value new product lines to increase profits than our competitors	45	3.327	.532
The business does problem solving through the creative process of new solutions more than solutions that rely on conventional wisdom to enhance market share than our competitors	54	3.228	.542
The business continuously produce new products and services to enhance our sales to increase our profits than our competitors	44	3.543	.567
The business is often the first to market with new products and services thus has a larger market share than our competitors	52	3.654	.231
The business competitors in this market recognize us as leaders in innovation as we value new product lines to increase our market share	48	3.170	.954
Composite Mean		**3.222**	

Risk Taking Propensity

The study sought to assess the influence of risk taking propensity on the growth of dairy agribusiness enterprises in Naivasha Sub-county, Kenya. The study findings in Table 3 the respondents indicated to a great extent that the business encouraged people in our firms to take risks with new ideas to increase profits through the increase in sales than our competitors (3.127); The business valued new strategies or plans even if they were not certain they would always work to increase the market share than our competitors (3.098); The business tried to introduce effective changes to offering to accept at least a moderate level of risk of significant losses to increase the profits (3.313); The business engaged in risk investment for example new employees, facilities, debt, stock options to stimulate future increase of profits (3.325); The business competitors in this market recognized them as risk takers in similar business to the establishment of new branches (3.217).This imply that risk taking propensity influence growth of dairy agribusiness SMES in Naivasha sub-county, Kenya.

Table 3: Risk Taking Propensity

Statement	%	Mean	Std
The business encourage people in our firms to take risks with new ideas to increase profits though the increase in sales than our competitors	43	3.127	.345
The business value new strategies or plans even if we are not certain they would always work to increase the market share than our competitors	54	3.098	.432
The business tries to introduce effective changes to offering to accept at least a moderate level of risk of significant losses to increase the profits	52	3.313	.321
The business engage in risk investment for example new employees, facilities, debt, stock options to stimulate future increase of profits	32	3.235	.568
The business competitors in this market recognize us as risk takers in similar business to the establishment of new branches	54	3.217	.320
Composite Mean		**3.211**	

Creativity

The study sought to assess the influence of creativity on the growth of dairy agribusiness enterprises in Naivasha Sub-county, Kenya. The study findings in Table 4 the respondents indicated to a great extent that the business finds new application for products to increase the market share than our competitors (3.127); The business was involved in product development capability to enhance the sales than our competitors (3.098); The business did equip employees with skills for their jobs to remain competitive than our competitors (3.313); The business was always involved in brainstorming to stimulate new ideas among employees to increase chances for the establishment of new branches (3.325); The business was always involved in developing teams to enhance the possibility of developing new products to enhance increase of profits than our competitors (3.217).This implied that creativity influence growth of dairy agribusiness SMES in Naivasha Sub-county, Kenya.

Table 4: Creativity

Statement	%	Mean	Std
The business finds new application for products to increase the market share than our competitors.	48	3.218	.345

The business is involved in product development capability to enhance the sales than our competitors	56	2.998	.432
The business does equip employees with skills for their jobs to remain competitive than our competitors.	45	2.678	.321
The business is always involved in brainstorming to stimulate new ideas among employees to increase chances for the establishment of new branches.	45	2.824	.568
The business is always involved developing teams to enhance the possibility of developing new products to enhance increase of profits than our competitors	48	2.456	.320
Composite Mean		**2.546**	

Growth of Dairy Agribusiness

The study went further to establish the extent to which the growth of dairy agribusiness in the study area is influenced in terms of increase in annual sales, increase of annual profits, diversification of markets and number of new employees added. The data was collected from the different indicators of the variable growth of dairy agribusiness which was ordinal categorical. The data was therefore presented in frequency tables with the mode being used as the appropriate measure of central tendency. The results were presented in Table 5.

The first indicator for the dependent variable required to know what the growth of dairy agribusiness in terms of increase of annual sales was, 5% of the respondents had 0% , 35% had less than 10%, 20% stated 20-30% , 15% indicated 30-40% , 15% posited 31-40%, 10% indicated over 40% The mode was found to be 2 which imply that on average the most of the growth of dairy agribusiness is between 1% to 10%.The next indicator required the respondents to state level of growth of dairy agribusiness in terms of increase of profits, 25% of the respondents had 0% , 45% had 1%- 10%, 10% stated 20-30% , 0% indicated 30-40% , 5% posited 31-40%, 15% indicated over 40% The mode was found to be 2 which imply that on average the growth of dairy agribusiness in terms of increase of profits is between 1%-10%.

When the respondents were asked what the level of growth of dairy agribusiness in terms of market diversification was, 30% of the respondents had 0%, 55% had between 1%-10%, 10%, 15% stated 20-30% , 5% indicated 30-40% , 5% posited 31-40%, 0 % indicated over 40% The mode was found to be 2 which imply that on average the growth of dairy agribusiness was between 1%-10%. Finally, when the respondents were asked what the level of growth of dairy agribusiness in terms of number of new employees added was, 30% of the respondents had 0%, 55% had between 1%-10%, 10%, 15% stated 20-30% , 5% indicated 30-40% , 5% posited 31-40%, 0 % indicated over 40% The mode was found to be 2 which imply that on average the growth of dairy agribusiness was between 1%-10%.

Table 5: Growth of Dairy Agribusiness

	0%	1%- 10%	10%-20%	21%-30%	31%-40%	Above 40%	Mode
Increase of annual sales	5%	35%	20%	15%	15%	10%	2
Increase of profits	25%	45%	10%	0%	5%	15%	2
Diversification of markets	25%	15%	20%	10%	5%	10%	2
Number of new employees added	30%	55%	15%	5%	5%	0%	2

Multiple Regression Analysis

Model summary results showed that the model had a good fit since the value is above 60%. This concurs with Graham (2012) that R-squared is always between 0 and 100%: 0% indicates that the model explains none of the variability of the response data around its mean and 100% indicates that the model explains the variability of the response data around its mean. In general, the higher the R-squared, the better the model fits the data. The adjusted R square was slightly lower than the R square which implied that the regression model may be over fitted by including too many independent variables. Dropping one independent variable will reduce the R square to the value of the adjusted R square. This indicated that the set of independent variables were important factors that need to be enhanced to boost growth of dairy agribusiness in the study area.

Table 6: Model Summary, Multiple Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.789	.622	.588	.002

The study further used Analysis of Variance (ANOVA) in order to test the significance of the overall regression model. The results of Analysis of Variance (ANOVA) for regression coefficients in Table 7 revealed that the significance of the F statistics was 0.000 which was less than 0.05 and the value of F-calculated (54.380) which was greater than the F-table value (13.658) being significant at 0.000 confidence level. The value of F was large enough to conclude that the set coefficients of the set of independent variables were not jointly equal to zero. This implies that at least one of the independent variables has an effect on the dependent variable and this shows that the overall model was significant.

Table 7: Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	74.783	4	18.696	54.380	.000[b]
	Residual	31.285	91	.3438		
	Total	106.068	95			

NB: Critical value = 13.658

Table 8 presented the beta coefficients of all independent variables versus growth of dairy agribusiness. As observed, pro-activeness (X_1) had a coefficient of 0.552 which was greater than zero. The t statics was 4.455 which had a p-value of 0.000 which was less than 0.05 implied that the coefficient of X_1 was significant at 0.05 level of significance. This showed that pro-activeness had a significant effect on the growth of dairy agribusiness in Naivasha Sub-county, Kenya. The coefficient of innovativeness (X_2) was 0.447 which was greater than zero. The t statistic of this coefficient is 3.266 with a p value of 0.001 which is less than 0.05. This implies that the coefficient 0.447 is significant. Since the coefficient of X_2 was significant, it showed that innovativeness had a significant effect on growth of dairy agribusiness in Kenya. Risk taking propensity (X_3) had a coefficient of 0.418 which was greater than zero. The t statics was 3.011 which had a p-value of 0.003 which was less than 0.05 implies that the coefficient of X_3 is significant at 0.05 level of significance. This showed that risk taking propensity has a significant positive influence on growth of dairy agribusiness in Kenya.

Table 8 further showed that creativity (X_4) had a coefficient of 0.415 with a t static of 2.069 which has a p-value of 0.005 which was less than 0.05. This

implied that the coefficient of X_4 wass significant at 0.05 level of significance. This showed that creativity had a significant positive influence on growth of dairy agribusiness in Naivasha Sub-county, Kenya. Finally, the constant term was 14.113. The constant term was the value of the dependent variable when all the independent variables were equal to zero. The constant term had a p value of 0.001 which was less than 0.05. This implied that the constant term was significant was thus an equation through the 11.234. If all the independent variables take on the values of zero, there would be 14.113 growth of dairy agribusiness in Naivasha Sub-county, Kenya.

Table 8: Regression Model (Overall)

Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.113	2.658		5.309	.001
	Pro-activeness	.552	124	.752	4.455	.000
	Innovativeness	.447	.137	.645	3.266	.001
	Risk taking Propensity	.418	.139	.555	3.011	.003
	Creativity	.415	.201	.509	2.069	.005

CONCLUSIONS

Based on the study findings, the study concluded that growth of dairy agribusiness in Naivasha Sub-county, Kenya was affected by entrepreneurial orientation on growth of dairy agribusiness. The study concluded that pro-activeness was the first important factor that affects growth of agribusiness. The regression coefficients of the study show that pro-activeness has a significant influence on growth of dairy agribusiness. This shows that pro-activeness has a positive influence on growth of dairy agribusiness.

The study concluded that innovativeness was the second most important factor that affects growth of dairy agribusiness. The regression coefficients of the study showed that innovativeness had a significant influence on growth of dairy agribusiness. This shows that innovativeness has a positive influence on growth of dairy agribusiness.

Further, the study concluded that risk taking propensity was the third most important factor that affects growth of dairy agribusiness. The regression coefficients of the study showed that risk taking propensity had a significant influence on growth of dairy agribusiness. This showed that risk taking propensity has a positive influence on growth of dairy agribusiness.

Finally, the study concluded that creativity was the fourth most important factor that affects growth of dairy agribusiness. The regression coefficients of the study showed that creativity had a significant influence on growth of dairy agribusiness. This shows that creativity has a positive influence on growth of dairy agribusiness.

RECOMMENDATIONS

The study recommended that entrepreneurs need to embrace pro-activeness in enterprises to seize new opportunities. Pro-activeness is therefore expected to be associated with higher gross earnings due to there being more commitment on the part of a more entrepreneurial, more proactive individual to the development of market share.

There is need for the entrepreneurs to have innovativeness in the enterprises to engage in and

support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes. Innovation is an important means of pursuing opportunities and hence is an important component of entrepreneurial orientation.

The dairy agribusinesses should embrace risk taking propensity to increase the earnings. It will enhance the internal locus of control and a high need for achievement associated with higher performance by enterprises. Risk-taking is likely to lower costs and leads to proper allocation of resources and this may lead to the growth of the dairy agribusiness.

The entrepreneurs were encouraged to be creative for example in the product design, knowledge related to product, technological expertise of knowing how to collaborate with specific relationships and the firms accumulated knowledge about the product. The business environment is dynamic and require creativity to enhance growth of dairy agribusiness.

Areas for Further Research

The study contributed the body of knowledge by examining the influence of entrepreneurial orientation on growth of dairy agribusiness in Naivasha Sub-county, Kenya. The growth of agribusiness in Naivasha Sub-county was greatly affected by pro-activeness, innovativeness, risk taking propensity and creativity. The remaining 36.20% of variation in growth of dairy agribusiness can be explained by other variables not included in this model such as market accessibility, physical infrastructure and technology. Existing literature indicates that as a future avenue of research, there is need to undertake similar research in other counties in Kenya and other countries in order to establish whether the explored factors can be generalized.

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