

**FACTORS AFFECTING FINANCIAL PERFORMANCE OF WOMEN GROUPS IN  
EXPORT BUSINESS; A CASE STUDY OF MASAAI MARKET WOMEN GROUPS**

**BY**

**BETHSEBA BOSIBORI ONSONGO**

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**DECLARATION**

I hereby declare that this project is my original research work achieved through my personal effort. I also declare that this work has never been presented for the award of a degree in any University or in any other institution for academic purposes. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

Name:                    BETHSEBA BOSIBORI        REG NO:    14/02227

Signature                .....                    DATE:                .....

I do hereby **confirm that I have examined the Master’s Project of**

**BETHSEBA BOSIBORI**

And have approved it for examination.

Sign : .....

**DR. BEATRICE OKATCH**

Dissertation Supervisor



## **DEDICATION**

I dedicate this work to my loving parents, Mr. and Mrs. Onsongo, my sister Lilian, my brother Calleb who have been a source of motivation and to my dearest friends who have helped me in one way or another.

Thank you for the great support.

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## **ABSTRACT**

Women's economic activities empower them economically and enable them overall, to contribute more to the development of their country. Recognizing this value and its importance, many governments in the world are paying at least some attention in order to create an environment that is conducive for establishment of women-owned enterprises. The purpose of this study was to establish the factors affecting financial performance of women groups in export business at Masaai Market. The study was guided by the four specific objectives namely; to establish the effect of economic factors on financial performance of women groups in export business at Masaai Market, to establish the effect of socio-cultural factors on financial performance of women groups in export business at Masaai Market, to establish the effect of business management skills on financial performance of women groups in export business at Masaai Market and to establish the effect of government regulations on the financial performance of women groups in export business at Masaai Market. This study was based on three theories which are expectancy theory, network theory and social exchange theory. This research study employed a descriptive survey research design. The target population for this study comprised of all women groups in export businesses in Masaai Market. There are 55 women groups in export businesses which according to the Maasai Market Association. A census methodology was used since all the 55 women groups in export business at Masaai market were studied. In each group two women were selected. This study utilised primary sources of information which were gathered by use of questionnaires. Questionnaires were self administered where drop and pick later method was applied. Descriptive analysis was done using frequency distribution tables, Mean, Standard deviation. Inferential statistics that was utilized included regression analysis using Standard Package for Statistical Sciences (SPSS). Presentation of findings was in form of tables, bar graphs and pie charts. The study findings indicated that economic factors, socio-cultural factors, business management skills and government regulations affected greatly the financial performance of women groups in export businesses. The study concludes that that there was improved performance in women groups in export businesses which could be associated with different factors such as government support, favourable economic, socio-cultural factors and acquisition of business management skills. This has been made possible by women forming groups such as chamas and self help groups which become more easier to venture into businesses as a group rather than an individual. The government should put up in place institutional capacity and structure that are easily accessible for business advice. Relevant institutions should create specialized departments to address women's needs. This would directly enhance the dissemination of information regarding the available services especially in rural areas. The institutions should also take proactive steps towards developing the business skills of women entrepreneurs. This should include the use of specialized programmes with an inbuilt mechanism to monitor the progress of such capacity building initiatives.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

Women's economic activities empower them economically and enable them overall, to contribute more to the development of their country. Recognizing this value and its importance, many governments in the world are paying at least some attention in order to create an environment that is conducive for establishment of women-owned enterprises (ILO, 2014). This initiative supports the millennium development goal 3 (MDG3) which aims at promoting gender equality and empowering women. However, in many countries, gender inequality persists and women continue to face discrimination in access to education, work and economic assets, and participation in government (Maziku, 2012).

One way of empowering women economically is through encouraging their engagement in micro and small enterprises (MSEs). MSEs Definitions used to describe MSEs in Kenya are both qualitative and quantitative, that is, they are based on the number of employees in the enterprises and other non-quantitative factors. A microenterprise is defined as having a maximum of 10 employees while a small enterprise is defined as having a minimum of 11 employees and a maximum of 50 employees (ILO, 2014). The contribution of small and micro enterprises to economic development, income generation and poverty alleviation is widely recognized (Hassan & Mugambi, 2013). MSEs are particularly important to women because they provide opportunity for self employment which represents a chance to exploit their potentials (Nandonde & Liana, 2013).

The Government of Kenya recognizes the important role of the Micro and Small Enterprise (MSE) sector in the development of the economy and poverty reduction (GOK, 2000, ROK,

2005). Indeed the Kenya Economic Survey for 2011 credited the MSE sector with creating 80 percent of new jobs in 2010. (ROK, 2011). The government has over the years put in place a variety of policies to support local production in the small-scale sector. These have included export incentive schemes such as the Export Promotion Council (EPC) and the Women's Bureau. The latter was set up to organize trade missions and popularize Kenyan products abroad (Muraguri, 1990).

The 2003-2007 policy paper on Kenya's export strategy identifies the role of handicrafts in Kenya's economy and recommends that the handicraft sector can be supported by strengthening linkages between traders, marketing, infrastructure, access to credit and product development (ROK, 2003). Kenya's national tourism policy states that the promotion of handicrafts helps to spread the income from tourism to local communities. The policy emphasizes that the handicraft producers need support in improving design, packaging and marketing of their products (ROK, 2006). International trade policies have changed to encourage and support the export of products from third world countries. The Africa Growth and Opportunity Act (AGOA) for example, is a bilateral trade agreement between the United States of America and Kenya that provides for duty free and quota free access for Kenyan goods into the US market (USA Government, 2000). When the AGOA Act was passed in May 2000 Kenya was among the first 34 African and Caribbean countries eligible for the benefits. Ikiara and Ndirangu (2003) point out that the Kenyan textile industry took advantage of AGOA to increase the level of apparel exports to USA. The Micro and Small Enterprise (MSE) sector has, however not benefited as much as the large and medium scale textile industries (Ikiara & Ndirangu, 2003). On the international front there are numerous individuals and non-profit organizations involved in the design, production and marketing of handicrafts as a means of providing income and employment for people all

over the world (Hester, 2002). The internet has also opened opportunities for export and e-marketing of handicrafts to people all over the world by use of virtual catalogues placed on websites (ITC, 2007; UNIDO, 2005).

Literature identifies business management skills and marketing as a common problem in the MSEs in general because of competition, lack of support, and inadequate information among others (Ikiara & Ndirangu, 2003; Kinyanjui, 2006). Networks between fellow traders and between traders and NGOs are identified as having a role in information provision, marketing, increasing sales and ultimately business performance (Atieno, 2009; Tesfom, Lutz & Ghauri, 2006; Street & Cameron, 2007). Kapila and Mead (2001) indicated that approaches that support particular sub sectors rather than individual enterprises have a more sustainable impact on the income earning and success of micro enterprises. Similarly, McVay's (1999) case studies of Business Development Service (BDS) show the importance of developing institutions to help micro enterprises access markets permanently. BDS are non-financial support services such as training, mentoring, advice and information, facilitating networks and subcontracting offered to improve performance of businesses (Ndemo, 2006). In light of the above background, this study seeks to address gaps identified above by focusing on the handicraft sub-sector and assessing the socio-cultural factors, economic, business management and marketing factors related to export business performance of women groups in Maasai Market in Nairobi.

### **1.1.1 Performance of Women Enterprises Globally**

Despite encouraging remarks about capacities of women enterprises to boost local economy, Maziku (2012) observes that women owned and operated micro enterprises grow less rapidly and are likely to close sooner than male counterparts. Growth is indicated by the increase of revenues over time employing more workers, opening new branches in different geographical locations

and increase in the variety of activities that the enterprises engage in (ILO, 2014). Further indicators of growth include adoption of communications technology and sale of products in markets that were not originally targeted (KIPPRA, 2014).

In 2012, 18.7% of workers aged 18 to 64 were either an owner or manager of an established business or involved in early-stage entrepreneurial activities in the U.S. As of 2013, women-owned businesses which are defined as 50% or more women-owned accounted for 40% of all privately-owned firms, generated \$1.9 trillion in sales and employed 13 million people. High numbers of women want to become entrepreneurs and their ranks are growing at a rate six times faster than the number of self-employed men (Parker, 2014).

In Iran, a study by Arasti, *et al.* (2012) established that despite impressive growth in the number of firms run by women, most of these businesses continue to remain small and women-owned firms have not grown as fast as those of their male counterparts have. They found that women group enterprises tend to be smaller, with less capital, have lower revenues and fewer employees, and reside in lower-profit industry services like handicrafts and textiles sectors. Also, companies owned by women are more likely to be sole proprietorships than corporations. This difference in business growth is affected by various individual and environmental factors. Factors inhibiting growth of women owned MSEs included access to financial sources, cultural norms and values, effects of social networks and work-home conflict and legal factors which included banking rules and regulations, tax laws and labor law.

### **1.1.2 Performance of Women Enterprises in Kenya**

The interest of women empowerment to the Kenyan government is evident in the constitution of Kenya Article 27 (8) which provides for affirmative action where the State is required to take

legislative and other measures to ensure that not more than two thirds of the members of elective or appointive bodies are of the same gender. Article 81 further emphasizes that the same rule should be applicable in elective public bodies (The Constitution of Kenya, 2010). In addition, the Public Procurement (Preference & Reservations, Amendment) Regulations 2013 accord the youth and other disadvantaged groups in Kenya preference in the supply of goods and services to the government. This also includes giving persons with disability and women at least 30% of all supply contracts to the government. The Uwezo Fund, another government initiative, provides youth and women access to grants and interest-free loans as well as mentorship opportunities to enable them take advantage of the 30% government procurement preference for youth, women and persons with disabilities through its capacity building programme. The government believes that women and youth will be the cornerstone of Kenya's economic development (Ministry of Devolution and Planning, 2014).

In addition, a Women's Enterprise Fund (WEF) was established in 2007 to provide women with access to financial services. The principal objective of the fund is economic empowerment of women organized in registered Self Help Groups (SHGs) or as individuals or companies owned by women. The fund will enable the government realize the 3<sup>rd</sup> Millennium Development Goal (MDG) on 'gender equality and empowerment of women' and has also been identified as a flagship project under the social pillar in the Vision 2030 (WEF, 2009). These groups have to survive so that the government objectives can be realized. In fact, understanding self-help groups in terms of performance factors is indeed significant at a time when communities through the devolution policy are increasingly being urged to take charge of their development needs (Onyango, Mwangi & Kibet, 2013). However, a high default rate of 20-30 percent has been cited as a challenge that the fund is facing (Kiraka, Kobia & Katwalo, 2013).



Nevertheless, the number of women groups has risen significantly. In 2007/2008, there were 58 groups awarded loans. In 2008/2009, 3,280 groups, in 2009/2010, 2,564 groups, in 2010/2011, 2,265 groups and in 2011/2012, 4,880 groups (Kiraka et al. 2013). In developing countries, SHGs reach an estimated 100 million clients and this number has grown dramatically in recent years. Active plans will nearly double this number by 2017 (Greaney, Kaboski & Leemput, 2013). SHGs help provide services that the government may have failed to deliver (Jivetti, 2009). However, according to Kaimenyi (2011), although SHGs assist women to participate in development processes, there appears to be a gap in their performance, a situation which can be corrected through empowerment.

Chepchirchir (2013) in a study on impact of women participation in self-help groups on self-economic empowerment in Nakuru County points out that there is a need to train SHG members and its leaders on organization skills, leadership skills and strategic management skills so that they can take these grass root organizations to another level. Jivetti (2009) in a study on women's SHGs in Western Kenya found out that on selection of group leaders, groups relied on their perceptions of trust, education, participation, integrity, influence, experience, majority of votes cast or nomination to select their leaders. Using domestic issues as a rationale for lateness, absenteeism or slow repayment of loans were responsible for conflicts among group members. The sources of conflicts were mainly about leadership, accountability and transparency. This is a clear indicator that leadership in these groups is an important factor in sustainability of groups.

Muasya (2013) did a study on the factors that influence the success of women SHGs in Pumwani Nairobi County. The study was guided by five objectives: to establish how group rules, regular savings and borrowing of loans, trainings provided to the women, regular group meetings and

maintenance of records influence the success of women SHGs. The findings revealed that group rules, regular saving and borrowing of loans and regular group meetings contribute to a great extent to the success of women SHGs as compared to group records and the trainings provided to the women.

Onyango, Mwangi and Kibet (2013) assessed the socio economic characteristics of successful collective action in Kenya's self-help organizations' sector in Ugenya Constituency of Siaya County. It was found that groups' socio-economic characteristics such as gender, education, age of members and groups, member turnover, group size were significantly related to performance of self-help groups. It was therefore concluded that groups' socioeconomic characteristics were major performance determinants in self-help groups. Another study on self-help groups as a key factor in enhancing disaster risk reduction linked to household food security in rural Kenya has been done by Wanjala, Obiri, Wakhungu and Singoro (2013) in Kakamega Central District. The factors that enhance the effectiveness of SHGs, constraints faced by SHGs as well as opportunities available for SHGs in their endeavour to enhance food security were also examined.

The findings showed that the factors that influence the effectiveness of SHGs were commitment and unity among members, transparency and good leadership, availability of funds and sound planning and managerial skills. On the contrary those constraining SHGs were inadequate funds, lack of adequate knowledge and necessary skills to run SHGs, lack of group cohesiveness, transparency and poor leadership. Opportunities for SHGs include availability of loans and grants from micro-finance institutions and the Department of Gender and Social Development respectively, which were underutilized. Karanja and Bwisa (2013) researched on factors that influence entrepreneurial success among the women groups and level of group cohesiveness

among women groups in Makuyu Division of Murang'a County. They recommended that more research is needed in other factors that were found to play a role in entrepreneurial success of women groups.

The contribution of women business groups depends on their performance, which in turn is affected by the underlying facilitators and barriers, understanding of which is a key to nurturing a balanced economy and the growth in a long run. Growth of small firms has attracted a significant interest among researchers and policy makers because of its potential to contribute to economic vitality and development.

### **1.1.3 Women Groups in Export Industry**

Much of the research that has been carried out before aimed at providing general descriptions of women in the sector, along with a cross-section of the barriers that they face. This study came up as a reaction to that in addition to experiencing the problems common to all small-scale entrepreneurs, women frequently face a gender bias in the socio-economic environment, and have additional social, cultural, educational and technological barriers to establishing and developing their own enterprises (Muller, 2006). Even this has been generalized as each entrepreneurial activity has its own problems. Hence forth this study will assess the factors affecting performance of women groups in export business.

The Art and Craft industry of Kenya comprises musical instruments, wooden carvings, soapstone carvings, jewellery and other miscellaneous items. These varieties of product sectors are categorized into classifications based on the raw materials used in production. A large percentage of the locally produced craft products are produced for tourists as well as overseas markets. Functional items that have decorative elements in them tend to generate higher demand than

purely decorative items. Craft producers are often encouraged to do a wide range of products that have functionality elements.

The largest export markets for Kenyan arts and crafts include Netherlands, Germany, Canada, U.S.A, and France. The Economic Survey indicate that export earnings from commercial crafts were valued at Sh384 million in 1999, Sh388 million in 2000 and Sh449 million in 2001. It can therefore be noted that the commercial value of Kenyan crafts exports has been on the increase. According to Gachie (2014), the Art and Craft business in Kenya contributes about Sh6 billion to the economy and has created many jobs for rural women and the urban poor. Most of the craft in the market includes sculptures, wood carvings, jewellery, soapstone, and shields, which depict the traditional facet of Kenyans. The most popular markets include Maasai and City markets in Nairobi.

The Maasai Market is a modern display of an indigenous people's culture. It sells African artifacts and has become a convergence zone for various kinds of people, including tourists, in search of 'authentic' African souvenirs. The market is open several days a week at different locations in Nairobi. The sector has attracted private individuals to open up shop in various towns, mostly tourist destinations. The Maasai Market Empowerment Trust (MMET), an NGO for artisans at the Maasai Market and other parts of the country, seeks to inform, educate and empower artisans and handicraft makers on intellectual property and protect their creations and inventions through patenting and trade marking. Seminars, campaigns, workshops and other awareness programmes have been used to do this. The trust also hopes to give financial help to members to expand their businesses. The trust organized an intellectual property rights campaign to advocate for the return of the *kiondo* (basket), *kikoi* and other Kenyan innovations that have been patented elsewhere, to their rightful owners.

There is a need to identify the factors that hinder or affect the performance of women groups in business exports in the MSE sector, so as to develop appropriate intervention programmes to reduce or in calculate them. To take appropriate measures for these problems, knowing the factors associated with the problems is a precondition for solving the problem. Therefore, the aim of this research is to identify the major factors that affect performance of women groups in export business in Masaai market running their own businesses and recommend the appropriate measures to be taken.

## **1.2 Research Problem**

Unlike men, women face more challenges and fewer opportunities, when it comes to income-generating projects (GoK, 2007). These social and economic constraints bring about poverty and across generations. With increasing opportunities in the informal, small-scale enterprise sector women can now use these avenues for their economic advantage.

The need to create a grassroots organizational base to enable poor women to come together, to analyze their issues and problems, and to fulfill their needs has been strongly advocated in countries like Indian, Bangladesh, and Pakistan (Vetrivel & Mohanasundari, 2011). Grassroots organizations such as the self help group has enabled women secure their tomorrow through pooling their little financial resources in terms of savings. These savings are crucial in two aspects they are lend to members as loans and part of it is used to access loan from financial institutions(Vetrivel & Mohanasundari, 2011).

Most service providers are constraint from exporting due to a widespread lack of knowledge about exporting opportunities, markets, and processes, and a lack of awareness as to how to acquire such knowledge. While Kenyan services firms may be innovative and successful

domestically, many do not engage in any systematic attempt to export their services. Very often Kenyan service providers - especially smaller ones - lack international networks and find it very difficult to obtain market intelligence on foreign markets. Obtaining information on the largest firms in each sector and key contacts in foreign markets is crucial to identify export opportunities.

This area of research on factors inhibiting or affecting financial performance of women groups has attracted much attention in research in different contexts. The study by Sherifat (2013) in Nigeria did not find evidence of significant discrimination against women in formal credit markets. The study by ILO (2014) in Somalia established that women were constrained in business due to discriminatory property rights, lack of knowledge on basic business policies, limited access to finance, lack of business skills and low levels of education. Hassan and Mugambi (2013) conducted a study in Garissa which revealed that growth of women group businesses was hindered by gender based biases, lack of access to credit and financial resources, financial illiteracy and weak networks. Paul, Nyaga and Karoki (2013) in a study in Embu County established that legal and legislative factors led to poor performance of women group businesses but established that access to credit was not a hindrance. The above studies have contrasting findings. Further, these studies were conducted in areas that have different contextual and environmental factors from Masaai market. The findings therefore cannot be generalized to Masaai market. The current study therefore sought to answer the question: what are the factors that affect financial performance of women groups in export business at Masaai market?

## **1.3 Objectives**

### **1.3.1 General Objective**

The general objective of the study was to establish the factors affecting financial performance of women groups in export business at Masaai Market.

### **1.3.2 Specific Objectives**

The researcher was guided by the following specific objectives:

- i. To establish the effect of economic factors on financial performance of women groups in export business at Masaai Market.
- ii. To establish the effect of socio-cultural factors on financial performance of women groups in export business at Masaai Market
- iii. To establish the effect of business management skills on financial performance of women groups in export business at Masaai Market
- iv. To establish the moderating effect of government regulations on the financial performance of women groups in export business at Masaai Market

## **1.4 Research Questions**

The researcher was guided by the following specific questions:

- i. What is the effect of economic factors on financial performance of women groups in export business at Masaai Market?
- ii. To what extent do socio-cultural factors affect financial performance of women groups in export business at Masaai Market?

- iii. What is the effect of business management skills on financial performance of women groups in export business at Masaai Market?
- iv. What is the moderating effect of government regulations on the financial performance of women groups in export business at Masaai Market?

### **1.5 Significance of the Study**

This study can be of great importance to women entrepreneurs as it outlined factors affecting women entrepreneurs' financial performance in Masaai market Kenya. The findings of this study can help micro and small enterprises in the country, within an insight into the benefits of using different factors studied in this research to predict the factors that affect the performance of women entrepreneurs.

The government can use the findings of this study to assist in policy formulation and development for a framework in terms of personal and organizational-related challenges, economic, social/cultural, and legal/administrative and other factors that affect the performance of women groups in micro and small enterprises. Moreover, the findings of this study can help the policy makers and other institutions how to encourage establishing or expanding women entrepreneurs in micro and small enterprises. It can also enable them to know what kind(s) of policies should be framed.

The findings from this study can assist academicians in broadening of the prospectus with respect to this study hence providing a deeper understanding of the critical factors that affect the performance of women entrepreneurs in export business and other small enterprises.



## **1.6 Scope of the Study**

The study was a survey of women groups in export businesses in Masaai Market. The study focused on economic factor, socio-cultural factors, entrepreneurs' education and government regulations. The location of the study was Masaai Market in Nairobi County. The study was carried out in the year 2017.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents the review of literature: both theoretical and empirical. The theoretical review section presents three theories that were applied to guide this study. The empirical review was presented next where literature on past studies is reviewed. Additionally, the conceptual framework that depicts the relationship between the independent variables and the dependent variables was presented.

### **2.2 Theoretical Review**

This section presents the theoretical literature which has been done by other scholars as aligned by the study variables. The theories guided the study in making sense of the view of the world about women entrepreneurship and the factors that come into play to influence performance of women groups. This study was based on three theories which are expectancy theory, network theory and social exchange theory.

#### **2.2.1 *Expectancy Theory***

The expectancy theory says that individuals have different sets of goals and can be motivated if they have certain expectations. This theory is about choice, it explains the processes that an individual undergoes to make choices. In organizational behavior study, expectancy theory is a motivation theory first proposed by Victor Vroom of the Yale School of Management. Vroom, hypothesizes that in order for a person to be motivated that effort, performance and motivation must be linked. Vroom realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities. A number of factors can

contribute to an employee's expectancy perceptions, the level of confidence in the skills required for the task, the amount of support that may be expected from superiors and subordinates, the quality of the materials and equipment and the availability of pertinent information.

Opportunities are created by the institutional or external environment for those entrepreneurs who could identify them to start or improve their businesses and subsequently, their welfare. Entrepreneurs' ability to identify and tap such opportunities differs between entrepreneurs. It also depends on their ability to access information and willingness to act upon the information in terms of risk; that is their attitude (Shane, 2005). Individual attributes affect discovery of entrepreneurial opportunity. It is made up of psychological and demographic factors such as motives, attitude to risk, education and training, career experience, age and social status.

Changes in business environment such as economic, financial, political, legal, and socio-cultural factors also affect discovery of opportunity. For example, income level of the entrepreneur, capital availability, political stability, laws concerning private enterprise and property rights, and desire for enhanced social status by the entrepreneur could affect discovery of entrepreneurial opportunity, business setting also affect opportunity discovery. Industrial sectors such as distribution, manufacturing, agriculture, catering, and business services are more attractive to entrepreneurs (Brana, 2008). Evaluation of the identified opportunity is another stage in the entrepreneurial process, and appropriate decision at this stage leads to the decision to exploit the opportunity (Shane, 2005). The decision to exploit the opportunity depends on the intention of the entrepreneur, and the appropriate measure of entrepreneurial decision-making is intention which leads to recognition of entrepreneurial opportunities (Shane, 2005). Exploitation of the opportunity depends on the entrepreneur's level of education, skills or knowledge acquired

through work experience, social networks, credit, and cost-benefit analysis of the business (Shane, 2005).

Appropriate use of acquired resources through good business strategy and organizational design could lead to business performance (Koontz & Weihrich, 2006); Again, financial management theorists believe that funds could only be sourced to finance a predetermined project, business or contract (Van Horne, 1980). As such, micro-finance could only lead to business performance when there is the tendency to engage in new business or business expansion (Antoncic, 2003). Therefore, this study examines the mediating effect of opportunity for entrepreneurial activity on the relationship between credit and women entrepreneurs' performance because limited studies are available in this area (Tata & Prasad, 2008; Shane, 2003). Environment plays greater role in opportunity exploitation than individual attributes (Kuzilwa, 2005).

### **2.2.2 Network Theory**

Network theory was developed by Burt (1984) to explain how social networks create social capital for individuals. The theory is based on the premise that social networks that individuals have among themselves and among communities creates paths through which individuals can utilize to gain power, fame or business. This notion was supported by Lin and Dumin (1986) who observed that people can access business contracts and occupations through social ties. Flap (1991) further observed that networks are capable of embedding transactions in a social matrix, creating markets which individuals in the network can utilize.

The network theory was applied in the current study as networks have long been hailed as essential to the survival and growth of women owned and run establishments. This is because women value their ability to develop relationships. These networks come in the form of support

systems, mentors and advisors. Other networks that can be important to women in business include business associates and friends, participation in trade associations and women's groups. These are significant networks that are positively associated with business performance and growth. Women who lack such networks are expected to experience lower levels of business growth and performance (Hassan & Mugambi, 2013).

Further, indicate that the use of informal mentoring supportive relationships is one of the best ways of establishing a business and these relationships help the new entrepreneur bypass the obstacles which impede growth, success, and personal fulfillment. However, women are often excluded from social networks or informal networks of information such as male-only clubs, old boys networks, and business lunches compared to men due to lack of time. This may explain why women may fail to generate the networks required to enable business growth. This theory informs the study on the kind of networks that women can rely on to enhance their growth prospects in business (Madichie & Nkamnebe, 2010).

### **2.2.3 Social Exchange Theory**

Social exchange theory is a communication theory that was introduced in 1958 by the sociologist George Homans. It was developed to explain communication and interaction as well as the factors governing interaction in humans. This theory proposes that social behavior is the result of an exchange process. The purpose of this exchange is to maximize benefits and minimize costs. Humans act with other humans in full recognition that their acts will be noticed and in some way reciprocated. That is, that they will receive a return on their communicative investment. Thus, communication is the process by which we negotiate costs and rewards. An interaction that elicits approval from another person is more likely to be repeated than an interaction that elicits

disapproval. Self-interest and interdependence are central properties of social exchange. In social exchange, self-interest is not a negative thing. Rather, when self-interest is recognized, it will act as the guiding force of interpersonal relationships for the advancement of both parties' self-interest. The central tenet of the social exchange theory is that a high quality relationship is based on terms of reciprocity. With social exchange relationships, reciprocation will be of a constant and continuous nature. That is, when one gives something, he or she expects something in return.

Women are therefore engaged because of the reciprocal exchanges, both at supervisor and organizational levels. The implication for practice include the suggestion that organisations that address employees' concerns and demonstrate caring attitudes towards employees create a culture whereby this is reciprocated through a higher level of engagement. Social exchange relationships also involve a high degree of friendship, mutual trust, and understanding and have greater access to information.

Leader communication is a critical element in enhancing organizational performance. When employees perceive that they are getting information from their supervisors and co-workers that is timely, accurate and relevant, they are more likely to feel less vulnerable and more able to rely on their co-workers and supervisors and achieve goals (Thomas, Zolin & Hartman, 2009). However, the social exchange theory is considered by many psychologists to be highly individualistic which means that it assumes that the individual assesses all human social interactions based on his or her personal gain. It therefore neglects culture context and variations of cultures as some cultures may not seek a reward for a relationship (Zafirovski, 2005).

## **2.3 Empirical Review**

This section provides the studies that have been done by other scholars locally and internationally in line with the research objectives.

### **2.3.1 Economic Factors and financial Performance of Women Groups**

The economic factors include competition in the market; lack of access to the market ,lack of access to raw material ,lack of capital or finance, lack of marketing knowledge; lack of production/ storage space; poor infrastructure; inadequate power supply and lack of business training. The ability to tap into new markets requires expertise, knowledge and contacts. Women often lack access to training and experience in on how to participate in the market place and are therefore unable to market goods and services strategically. Thus, women-owned SMEs are often unable to take on both the production and marketing of their goods. In addition, they have often not been exposed to the international market, and therefore lack knowledge about what is internationally acceptable. The high cost of developing new business contacts and relationships in a new country or market is a big deterrent and obstacle for many SMEs, in particular women-owned businesses. Women may also fear or face prejudice or sexual harassment, and may be restricted in their ability to travel to make contacts (UNECE, 2004).

Conceptually, firms may receive finances from internal or external sources for start up and expansion of operations. Internal sources are savings and retained profits while external sources are lending agencies, such as banks, friends, microfinance institutions, government and non-governmental organizations. For women in micro and small enterprises, both external and internal sources can support women to grow their business. However, both of these sources are awkward because of lack of sufficient savings and absence of lending institutions where the

micro and small enterprises are or their unwillingness to lend. Lack of external credit leaves many micro and small entrepreneurs with inadequate family savings as the only recourse. Under resourced firms do not expand or make big profit margins as profit and capital base are relatively proportional. Ramadani (2014) hypothesized that there is a positive relationship between growth of a business and financial capital.

Entrepreneurs to face several challenges on their way to success particularly access to finance. Entrepreneurs may feel overwhelmed by the level of business responsibility which they may find themselves in. According to Kanchana *et al* (2013) there are many challenges to entrepreneurship but common to SMEs include difficulties in accessing finance, especially for start-up, deficient knowledge and technology transfer, limited skills, absence of special government programmes that support entrepreneurship and innovation (Kanchana *et al* 2013:73).

In Namibia, female entrepreneurs face a variety of challenges in terms of access to finance, markets, skills and networks, and the enabling environment. Many businesses face financial constraints and cash flow uncertainty. Businesses often lack the collateral and financial records required for loans from commercial banks such as audited financial statements (Morgan 2012:2). Application processes tend to be bureaucratic in many ways and in some cases, there are high transaction costs and a lack of awareness about the procedures involved in gaining financing. It should be acknowledged however that despite these challenges, women continue to engage in business.

Mayoux (1995) points out that women entrepreneurs are constrained by restrictions such as lack of information, which is predominantly channeled through men. In the transition economies of Eastern Europe for example, women entrepreneurs' lack of access to networks disadvantaged



them in part because they had fewer contacts from Soviet times (Smallbone and Welter, 2001; Ruminska- Zimny, 2002). Legal regulations and customary rules often restrict women's access to and control over assets that can be accepted as collateral such as land or livestock. Women are much less likely to have land titled under their name, even when their families own land, and are less likely than men to have control over land, even when they do formally own it. Biased inheritance rights often bestow land to male relatives, leaving both widows and daughters at a disadvantage (Agarwal, 2003).

In a study in Nigeria, Okafor and Amalu (2010) sought to determine the entrepreneurial motivations that determinants growth and success of women entrepreneurs. The study established that there was a strong significant relationship among the motivational factors and challenges women entrepreneurs face in business. The result from the study indicated that women entrepreneurs faced various factors such as family influence, psychological, financial and environmental factors which either hindered or promoted the women in business.

Onyango, Mwangi and Kibet (2013) assessed the socio economic characteristics of successful collective action in Kenya's self-help organizations' sector in Ugenya Constituency of Siaya County. It was found that groups' socio-economic characteristics such as gender, education, age of members and groups, member turnover, group size were significantly related to performance of self-help groups. It was therefore concluded that groups' socioeconomic characteristics were major performance determinants in self-help groups. Another study on self-help groups as a key factor in enhancing disaster risk reduction linked to household food security in rural Kenya has been done by Wanjala, Obiri, Wakhungu and Singoro (2013) in Kakamega Central District. The factors that enhance the effectiveness of SHGs, constraints faced by SHGs as well as

opportunities available for SHGs in their endeavour to enhance food security were also examined.

The findings showed that the factors that influence the effectiveness of SHGs were commitment and unity among members, transparency and good leadership, availability of funds and sound planning and managerial skills. On the contrary those constraining SHGs were inadequate funds, lack of adequate knowledge and necessary skills to run SHGs, lack of group cohesiveness, transparency and poor leadership. Opportunities for SHGs include availability of loans and grants from micro-finance institutions and the Department of Gender and Social Development respectively, which were underutilized. Karanja and Bwisa (2013) researched on factors that influence entrepreneurial success among the women groups and level of group cohesiveness among women groups in Makuyu Division of Murang'a County. They recommended that more research is needed in other factors that were found to play a role in entrepreneurial success of women groups such as leadership styles of leaders of women groups.

### **2.3.2 Socio-Cultural Factors and financial Performance of Women Groups**

The social factors include lack of social acceptability; having limited contacts outside prejudice and class bias; society looks down upon; attitude of other employees; and relations with the work force. Prevailing social and cultural gender based inequalities and biases weigh heavily against women. According to Okafor and Amalu (2010), knowledge and resources are culturally embedded and influences availability of resource and exploitation of potentials of women entrepreneurship. Sagwe et al. (2011) argues that women entrepreneurs in Kenya put up with lack of confidence, lack of strong individual involvement and unwillingness to take risks. Women's weak social position is exacerbated by presence of few role models in

entrepreneurship, poverty and illiteracy that increase invisibility and marginalization of their enterprises. The presence of biased cultural practices among communities retards women aspirations and fulfillment of their social and economic life. Women are disadvantaged in areas such as education, family dynamics, training and ownership of assets in the community. In most of these factors, preference is given to men.

In Albania Ramadani (2014) conducted a study on growth of women entrepreneurs in Albania, conditions for women entrepreneurship, perspectives for development and an array of problems that women entrepreneurs are facing. The study established that growth of women owned business in Albania was poor. The first ranked problem that women entrepreneurs in Albania face is the difficulty in establishing a balance between family and work. The study results revealed that 56 per cent of surveyed women experience this problem. Additionally, large share of the problems are due to finance (36 per cent). More than 24 per cent are due to insufficient time in order to enhance their skills through various training sessions. Around 36 per cent of women face problems in creating high-quality contact networks that would enable them to successfully run their business. Problems in the collection of quality information are identified by 14 per cent of women in Albania and only 2 per cent of respondents stated that they have a lack of self-confidence. Factors that drive the success of women entrepreneurs are different.

A study in Italy by Cesaroni and Sentuti (2014) analyzed the success of women owned family businesses. The study results revealed that the number of women involved in the ownership, management and direction of family businesses has been growing in the last few years. However, women's presence has been sometimes described as 'invisible', without influence in decision-making, and women's efforts are not always properly recognized and rewarded in terms of job titles and salaries. Women in this type of situation have a marginal role and they are still quite

numerous. The study established that women in family businesses were mostly discriminated against. Three women's profiles were described in this study: completely invisible women, figurehead women and manager women. The study showed that the possible roles women can play within their family firms determine how much these women will grow in the business. Those playing completely invisible women roles had the least growth. The study therefore indicated that women are still discriminated against by cultural values in owning and managing businesses.

Another study in Nigeria by Madichie and Nkamnebe (2010) assessed the challenges facing women in MSEs in Eastern Nigeria. Most of the women micro-entrepreneurs upheld the belief that life was already risky enough setting up a micro-enterprise, and micro-credit would only further complicate matters. This made women to avoid getting credit. Other constraints established in the study were socio-cultural constraints. Nigerian women have some roles ascribed to them by culture. For instance, they are responsible for household tasks and raising of children (Mordi, Simpson, Singh & Okafor, 2010). These and other acquired roles often subjugate them into thinking that the big businesses are for the men and not for them. Even where these women may wish to venture into certain level of business, the responsibilities associated with their ascribed and acquired roles limit such ambitions. They tend not to have the time to even plan and think of such businesses. Policy constraints were also revealed to affect Nigerian women in business. The Nigerian operating environment has been unsupportive for micro-entrepreneurs in certain respects, obviously as a result of policy failures.

Sharafizad (2011) conducted a study in Australia on the determinants of business networking behaviour of women in small businesses. The study established that networking is important for small business owners as it can increase the success rate of their business. The study findings

revealed that the industry, industry experience, and family responsibilities had direct impact on the networking behaviour of women small business owners, with family and domestic responsibilities being the most significant. Additionally, the study established that the more domestic responsibility the women had, the less likely they were to spend time doing non-core business activities, which networking was often perceived as. Further, the study observed that specific and relevant training programs gave the women more confidence to talk about their business which enhanced their success rate. However, as the educational backgrounds of the participants were often the determining factor behind their chosen industry, it was concluded that educational background does indirectly impact the networking behaviour and success of the owners.

Chepchirchir (2013) in a study on impact of women participation in self-help groups on self-economic empowerment in Nakuru County points out that there is a need to train SHG members and its leaders on organization skills, leadership skills and strategic management skills so that they can take these grass root organizations to another level. Jivetti (2009) in a study on women's SHGs in Western Kenya found out that on selection of group leaders, groups relied on their perceptions of trust, education, participation, integrity, influence, experience, majority of votes cast or nomination to select their leaders. Using domestic issues as a rationale for lateness, absenteeism or slow repayment of loans were responsible for conflicts among group members. The sources of conflicts were mainly about leadership, accountability and transparency. This is a clear indicator that leadership in these groups is an important factor in sustainability of groups.

Muasya (2013) did a study on the factors that influence the success of women SHGs in Pumwani Nairobi County. The study was guided by five objectives: to establish how group rules, regular

savings and borrowing of loans, trainings provided to the women, regular group meetings and maintenance of records influence the success of women SHGs. The findings revealed that group rules, regular saving and borrowing of loans and regular group meetings contribute to a great extent to the success of women SHGs as compared to group records and the trainings provided to the women.

### **2.3.3 Business Management Skills and financial Performance of Women Groups**

To succeed in entrepreneurship one requires training and education in business managing skills. These skills refer to the concepts, skills and mental awareness used by individuals during the process of starting and developing their growth-oriented ventures (Sagwe et al., 2011). A successful entrepreneur needs to learn to work closely with people. This is where it is critical to be able to build great relationships with the team, customers, suppliers, shareholders, investors, and others who affect or are affected by the business. Moreover, an entrepreneur needs to lead and motivate others for the business to grow. Further, an entrepreneur needs to be able to communicate well to sell her vision of the future to investors, potential clients, team members, and more. Other skills required to be able to run a successful business include skills in goal setting, planning and organizing, decision making, networking skills, selling skills, financial management, marketing, organization and risk management (Sherifat, 2013). These skills provide an entrepreneur the advantage to grow the business.

According to Carroll (2011) in this day and age of rapidly advancing, readily accessible technology, customers assume that companies not only know who they are but also remember enough information about them to communicate in a way that is relevant to them. This means that for businesses to grow, they should engage in relevant marketing which is one of the major

ways through which businesses communicate with their customers. Directly linked to relevant marketing is customer experience in aiding business growth. Successful businesses create strategies for providing consistent, gratifying customer experience across the entire customer life cycle. To construct this, they align all parts of the business around the customer .

Another major factor to business growth is a dedicated customer focused culture. Carroll (2011) defines culture as the attitudes, feelings, values and behaviours that characterize and inform society as a whole or any social group within it. Customer focused companies have the desire to fulfil their customer's needs as part of their corporate definition. They work towards strengthening customer loyalty, promote customer evangelism and increase company revenue (Carroll, 2011).

Ultimately, customer service and satisfaction influences business growth. There are two types of customers – internal and external both of which are important to a business and need to be managed correctly (Machado, 2012). External customers are those that buy the goods and services while internal customers are those with whom the entrepreneur works with inside the business. They are the determinants of the business success. Internal customer service is important as it means the internal customers will be able to meet the expectations of external customers. If internal customers do not see the importance of looking after external customers, it will be difficult to meet their service expectations. Internal customer service means treating employees and colleagues as if they were paying customers (Machado, 2012).

Undoubtedly, entrepreneurs have to deal with a variety of customers. Good customer service depends on fully understanding the needs of the customer so that a good product or service can be provided. Providing excellent customer service needs to be a focal point for any business and

must form an integral part of the total product offering, behaviour and business culture. Achieving excellent customer service is a continuous process that never stops. Therefore, a business should continuously redesign, tweak and improve its customer service. Similarly, customer expectations will also develop and evolve over time, thus making it essential that service delivery keeps pace with those expectations (Machado, 2012).

According to Carroll (2011) it is insufficient for businesses to focus only on meeting the dimension of great customer service. Great customer service should complement relevant marketing, customer-focused culture and customer experience. This will be the kind of customer service that drives consumers to share their positive experiences with everyone they know. If a good service is not provided, someone else will with (Bradley, 2011).

Machado (2012) concludes that the typical mistake many businesses make is to give good service in the beginning and then to neglect customers and think that they will stay with the business. Further is an overdue focus on new customers and neglecting the old ones. – repeat customers spend 33% more than new customers and referrals among repeat customers are 107% greater than non-customers. It costs six times more to sell something to a prospect than to sell the same product to an existing customer. Successful businesses are not only good at providing excellent services to their customers but also excel at recovering service failures (Machado, 2012).

Hassan and Mugambi (2013) conducted a study on the determinants of growth for women owned and operated micro enterprises in Garissa, Kenya. The study revealed that many women in Garissa town are engaged in micro enterprises to provide for their families. They are enthusiastic about it but are constrained by barriers such as gender based biases, lack of access to credit and



financial resources, financial illiteracy and weak networks among others. The study further investigated key determinants of growth such as access to financial resources, entrepreneurial education and training and social networks. The study found out that government and non state actors had provided some financial support and training to women groups but individual women entrepreneurs struggled on their own. The government through constituency WEF disbursed interest free loans whose impact was positive and laudable. The study concluded that financial resources, entrepreneurial skills and networking are important ingredients in growth and expansion of women micro enterprises in Garissa. Equally important are gender balanced participation in business and inclusiveness and responsive policies by financial institutions.

Karanja and Bwisa (2013) conducted a study on the factors that influence entrepreneurial success among women groups in Makuyu Division of Murang'a County. The research revealed that the women groups had high levels of cohesiveness which provided a network of support to members. This network and social support empowered the women to engage in business. Additionally, the society held women groups with high esteem and appreciated what the women groups were doing to improve welfare of members of the society. However, the women entrepreneurs were hindered by having inadequate business management skills. This research recommended that the women groups needed entrepreneurial training to empower them, as well as more support especially from policy formulation for enhanced entrepreneurial success.

#### **2.3.4 Government Regulations and financial Performance of Women Groups**

Among actors seeking to promote the growth of female entrepreneurship, there has been much attention focused on providing debt and equity financing for businesses to succeed and achieve scale (Morgan 2012). There are however other challenges other than financing that are critical

for business growth. The enabling environment is a key barrier to female entrepreneurship. Crime and theft threaten business growth and pose a serious risk especially where women have to build themselves on borrowed resources. Labour regulations which are inflexible and impose high minimum wages for staff often result in difficulties with unions and strikes. These threaten the development of female entrepreneurship.

Women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit their growth. Since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information. Most existing networks are male dominated and sometimes not particularly welcoming to women but prefer to be exclusive. Even when a woman does venture into these networks, her task is often difficult because most network activities take place after regular working hours. There are hardly any women-only or women-majority networks where a woman could enter, gain confidence and move further. Lack of networks also deprives women of awareness and exposure to good role models. Few women are invited to join trade missions or delegations, due to the combined invisibility of women-dominated sectors or sub sectors and of women as individuals within any given sector (Mahbub, 2000).

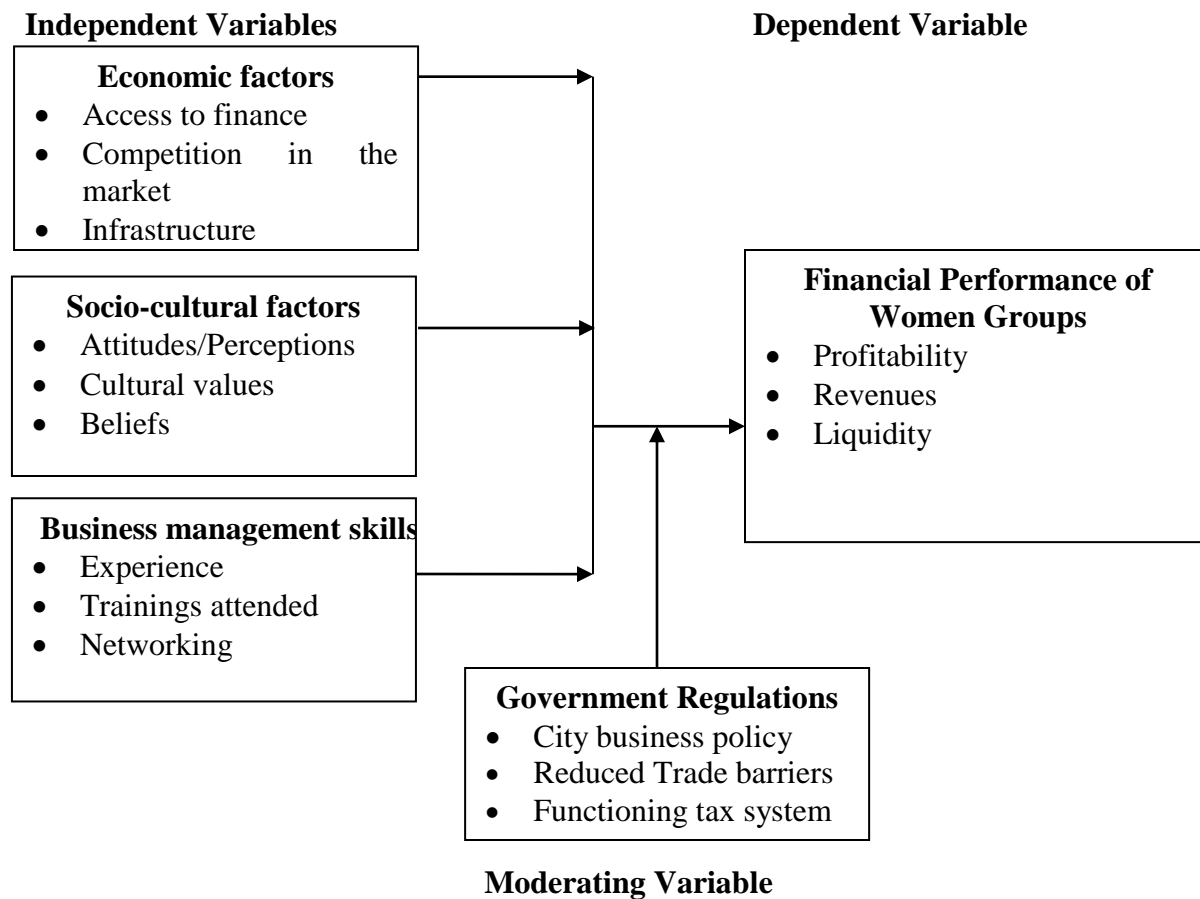
In Kenya, International Labour Organization (2008) conducted a study on the factors affecting Women Entrepreneurs in Micro and Small Enterprises in Kenya. The study established that though women had engaged in various MSEs, they faced low prospects of growth. This was due to various factors which included financial and credit availability and accessibility, legal and regulatory barriers, limited entrepreneurial culture and management skills and women's heavier

household financial and time burden. Other factors included lack of risk mitigating mechanisms for women in MSEs and gender disparities in education and training.

Sagwe, Gicharu and Mahea (2011) conducted a study on youth and women entrepreneurs' preparedness in Kenya. This was to assess how youth and women were prepared to take advantage of youth enterprise development fund and Kenya women enterprise fund (WEF). The study established that though the support provided to women through WEF had encouraged many to enter and expand their businesses, most of women entrepreneurs were unprepared to enter into entrepreneurship. On business sector, majority of the women entrepreneurs (86%) indicated that they needed both advice and money. Further, majority (59%) of the entrepreneurs had not developed business plans and only 30% of the entrepreneurs indicated that they had submitted the business plans they developed to investors, bank and support agency. On market sector the respondents responded to growth prospects, level of competition and market existence. Majority (79.5%) of the entrepreneurs indicated that team members are very important as sources of support. The study established that though capital was important, women entrepreneurs needed training and network support to grow their businesses.

## **2.4 Conceptual Framework**

A conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate it. When clearly articulated, a conceptual framework has potential usefulness as a tool to assist a researcher to make meaning of subsequent findings. It forms part of the agenda for negotiation to be scrutinized, tested, reviewed and reformed as a result of investigation and it explains the possible connections between the variables (Smyth, 2004).



**Figure 2.1: Conceptual Framework**

## 2.5 Summary of Literature Review

The researcher perceives that business ideas are triggered by specific factors such as historical determinants, socio-cultural factors and the possession of a variety of skills and ambitions among women for determining business sustainability. The researcher intends to identify and examine the impact of these factors on the start-up, operation and success of small-scale women enterprises in the Kenya. Various studies have been conducted on women groups and their performance for instance; Chepchirchir (2013) in a study on impact of women participation in self-help groups on self-economic empowerment in Nakuru County points out that there is a need to train SHG members and its leaders on organization skills, leadership skills and

strategic management skills so that they can take these grass root organizations to another level. Jivetti (2009) did a study of selected factors affecting the performance of women's self-help groups in Western Kenya. It was noted that on selection of group leaders, groups relied on their perceptions of trust, education, participation, integrity, influence, and experience, majority of votes cast or nomination to select their leaders. Another study on self-help groups as a key factor in enhancing disaster risk reduction linked to household food security in rural Kenya has been done by Wanjala et al. (2013) in Kakamega Central District. Transparency and good leadership were found to be among the factors that influence effectiveness of SHGs.

Karanja and Bwisa (2013) analysed factors that influence entrepreneurial success among women groups. Muasya (2013) did a study on the factors that influence the success of women self-help groups in Pumwani Nairobi County. The study focused on group rules, regular savings and borrowing of loans, trainings provided to the women, regular group meetings and maintenance of records. The findings revealed that group rules, regular saving and borrowing of loans and regular group meetings contribute to a great extent to the success of women SHGs as compared to group records and the trainings provided to the women. Onyango, Mwangi and Kibet (2013) assessed the socio-economic characteristics of successful collective action in Kenya's self-help organizations' sector in Ugenya Constituency of Siaya County. It was found that groups' socio-economic characteristics such as gender, education, age of members and groups, member turnover, group size were significantly related to performance of self-help groups.

Empirical evidence deduced from the studies acknowledge that correlations exists between variables of interest is pervasive. However, none of the studies has concentrated entirely on the factors of interest in the study. Most of the studies concentrated on the access of finance or the finance challenges and education level of the women entrepreneurs. This study therefore goes a

mile further and seeks to address other factors (economic, socio-cultural, business management skills and government regulations) that influence performance of women groups in export business.

## 2.6 Operationalization of Study Variables

This section defines how variables in the study will be operationalized. All study variables are adapted from other studies and modified to suit the current study. A summary of the different variables are presented in Table 2.1.

**Table 2.1: Operationalization and Measurement of Study Variables**

Type of variable	Variables	Measurement	Scale	Data collection method
Dependent	Performance of Women Groups	<ul style="list-style-type: none"> <li>• Profitability</li> <li>• Revenues</li> <li>• Improved living standards</li> </ul>	Nominal /Ordinal Scale	Structured questionnaire
Independent	Economic factors	<ul style="list-style-type: none"> <li>• Access to finance</li> <li>• Competition in the market</li> <li>• Infrastructure</li> </ul>	Nominal /Ordinal Scale	Structured questionnaire
Independent	Socio-cultural factors	<ul style="list-style-type: none"> <li>• Attitudes/Perceptions</li> <li>• Cultural values</li> </ul>	Nominal /Ordinal Scale	Structured questionnaire

		<ul style="list-style-type: none"> <li>• Beliefs</li> </ul>		
Independent	Business management skills	<ul style="list-style-type: none"> <li>• Experience</li> <li>• Trainings attended</li> <li>• Networking</li> </ul>	Nominal /Ordinal Scale	Structured questionnaire
Independent	Government Regulations	<ul style="list-style-type: none"> <li>• City business policy</li> <li>• Reduced Trade barriers</li> <li>• Functioning tax system</li> </ul>	Nominal/Ordinal Scale	Structured questionnaire

## 2.7 Research Hypotheses

The study sought to test the following null hypotheses:

*H<sub>01</sub>: Economic factors do not have an influence on financial performance of women groups in export business at Masaai Market.*

*H<sub>02</sub>: Socio-cultural factors do not have an influence on financial performance of women groups in export business at Masaai Market.*

*H<sub>03</sub>: Business management skills do not have an influence on financial performance of women groups in export business at Masaai Market.*

*H<sub>04</sub>: Government regulations do not have an influence on financial performance of women groups in export business at Masaai Market.*



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter presents the methodology that was used to carry out the study. This includes the study design, target population, data collection tools that were used, data collection technique, data analysis method and presentation. This research methodology aimed at enabling the researcher to obtain the data, process the data and interpret the results.

### **3.2 Research Design**

This research study employed a descriptive survey research design. According to Thomas (2011), a descriptive survey is the design where data or information is collected about some given units or observations without influencing the environment in any way. This study was referred to as observational since it just reports about the variable of interest in its naturally occurring environment without changing it in any way. This design was applied on women groups in export business at Masaai Market and the aim of the study was to establish the factors affecting performance of women groups in export business. Creswell (2009) observes that a survey provides an analytical frame whether a certain phenomenon can be studied in-depth. This design was selected for the study because the aim of this study was to establish the factors and analyze them as they are determined from the export businesses.

### **3.3 Target Population**

The target population for this study comprised of all women groups in export businesses in Masaai Market. The women entrepreneurs dealt with clothing items and shoes, ornaments and sculpture and carvings. However the study focused on only those women traders (groups) in export businesses which according to the association are 55 women groups (Maasai Market

Association Member, 2016). According to Gay et al. (2009), if the population of interest is less than 100 then the entire population should be surveyed. Based on this assertion, the study therefore adopted a census survey where all the 55 women groups comprised of the sample for the study.

### **3.4 Sampling and Sampling Technique**

A sampling frame consists of a list of items from which the study intends to draw the sample. Further, if the population is finite and the time frame is in the present or past, then it is possible for the frame to be identical with the population.

Kombo and Tromp (2009) and Kothari (2004) also describe a sample as a collection of units chosen from the universe to represent it. However a representative sample is expected to be selected so that the characteristics of the population are indeed inferred by studying the sample. The method used should ensure that the sample is unbiased, efficient and sufficient. Simple random sampling was used whereby one woman from each group and the chairlady of the group were selected to administer the questionnaires, therefore the sample size was 110 women.

The researcher uses information gathered from the survey to generalize findings from a drawn sample back to a population, within the limits of random error. The general rule relative to acceptable margins of error in survey research is 5 - 10%. The sample size was estimated using the following formula (James, Joe & Chadwick, 2001; Johnson, 1956; Wunsch, 1986).

$$n = \frac{Z^2 * p * (1 - p) * D}{e^2}$$

Where P is the prevalence or proportion of event of interest for the study, E is the Precision (or margin of error) with which a researcher want to measure something. Generally, E was between

5-10% and  $Z_{\alpha/2}$  is normal deviate for two-tailed alternative hypothesis at a level of significance; for example, for 5% level of significance,  $Z_{\alpha/2}$  is 1.96 and for 1% level of significance it is 2.58. D is the design effect reflects the sampling design used in the survey type of study. This is 1 for simple random sampling and higher values (usually 1 to 2) for other designs such as stratified, systematic, cluster random sampling etc, estimated to compensate for deviation from simple random sampling procedure. The design effect for cluster random sampling is taken as 1.5 to 2. For the purposive sampling, convenience or judgment sampling, D will cross 10. Higher the D, the more will be sample size required for a study.

$$n = \frac{(2.58)^2 * 0.8 * (1 - 0.8) * 1}{(0.1)^2} = 110$$

### **3.5 Data Collection Methods**

This study utilised primary sources of information which was gathered by use of questionnaires. Kothari (2004) defines a questionnaire as a document that consists of a number of questions printed or typed in a definite order on a form or set of forms. According to Dawson (2002), there are three basic types of questionnaires; closed ended, open-ended or a combination of both. Closed-ended questionnaires are used to generate statistics in quantitative research while open-ended questionnaires are used in qualitative research, although some researchers quantified the answers during the analysis stage. Obtaining data from participants with different methods and experience helped prevent information bias and thus increasing credibility regarding the information collection (Louis, Lawrence and Morrison, 2007).

Mugenda and Mugenda (2003) and Kothari (2004) agree that questionnaires have various merits like; low cost even when the universe is large and is widely spread geographically; it is free from

the bias of the interviewer; answers are in respondents' own words; respondents have adequate time to give well thought out answers; respondents who are not easily approachable can also be reached conveniently; large samples can be made use of and thus the results can be made more dependable and reliable. In view of the advantages and the need to gather more information, a combination of open and closed ended questionnaires was administered to the selected women in export business in Masaai market.

### **3.6 Pilot Study**

To check the validity and reliability of the questionnaires in gathering the data required for purposes of the study, a pilot study was carried out. The purpose of pilot testing is to establish the accuracy and appropriateness of the research design and instrumentation (Saunders, Lewis & Thornhill (2007). Newing (2011) states that the importance of pilot testing cannot be overemphasized; you will almost always find that there are questions that people fail to understand or interpret in different ways, places in the questionnaire where they are not sure where to go next, and questions that turn out simply not to elicit useful information. Cooper & Schindler (2006) concur that the purpose of pilot test is to detect weaknesses in design and implementation and to provide proxy for data collection of a probability sample. Sekaran (2006) reinforces that pilot test is necessary for testing the reliability of instruments and the validity of a study.

#### **3.6.1 Instrument Validity**

This study used both construct validity and content validity. Construct validity refers to the suitability of the scale used for purpose of operationalizing the theoretical construct and measuring it. Construct validity evidence involves the empirical and theoretical support for the

interpretation of the construct (Bailey, 2007). Testing for construct validity entailed a study of the convergent and discriminate validity. To verify content validity, the questionnaire was displayed in its initial picture to my supervisor and two randomly selected women group officials in order to figure out their views, comments and estimation of the suitability of the items of the questionnaire to the study. The reasons behind validity was to assess the clarity of the instrument items so that those items found to be inadequate in measuring the variables was either be discarded or modified to improve the quality of the research instrument thus increasing its validity.

### **3.6.2 Instrument Reliability**

Reliability or internal consistency was measured using Cronbach's alpha Coefficient. Cronbach's alpha is a general form of the Kuder-Richardson (K-R) 20 formula used to assess internal consistency of an instrument based on split-half reliabilities of data from all possible halves of the instrument (Cronbach, 1951). It reduces time required to compute a reliability coefficient in other methods. It is commonly agreed among researchers that an alpha greater or equal to 0.7 shows that an instrument is reliable in measuring what it was intended to measure (Sekaran, 2006; Cooper & Schindler, 2011). The instrument was considered reliable if the Cronbach's alpha value was higher than 0.70.

Reliability was tested on ten questionnaires with randomly selected women who were not included in the final study sample. The ten questionnaires were then coded and input into SPSS version 20 for running the Cronbach Alpha reliability test. The recommended Cronbach's Alpha coefficient is 0.7 for a newly developed questionnaire.

### **3.8 Data Processing and Analysis**

According to Zikmund et al. (2010), data analysis refers to the application of reasoning to understand the data that has been gathered with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation. To determine the patterns revealed in the data collected regarding the selected variables, data analysis was guided by the aims and objectives of the research and the measurement of the data collected.

Information was sorted, coded and input into the statistical package for social sciences (SPSS) for production of graphs, tables, descriptive statistics and inferential statistics. Data analysis process started with factor analysis which was used to establish the appropriateness of the questionnaire constructs. Specifically factor loadings were used to establish the weights of the various statements on extracted factors. But before factor analysis was conducted the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was performed to determine whether adequate correlation exists between the individual items contained within each of the sections of the questionnaire. According to Field (2000) a data set is regarded as adequate and appropriate for statistical analysis, if the value of KMO is greater than 0.5.

Further to the descriptive statistics and bivariate analysis the study used regression analysis. This analysis tested the statistical significance of the various independent variables on the chosen dependent variables. Faraway (2002), states that multiple linear regressions are used in situations where the number of independent variables are more than one. The assumptions of linear regression must be met by the data to be analyzed. These assumptions state that the coefficients must be linear in nature, the response errors should follow a Gaussian distribution and the errors

should have a common distribution. This study used regression analysis. The data was therefore checked for violations of assumptions of linearity and multicollinearity.

The first assumption that was tested was linearity and it applied to all multivariate techniques based on correlation measures of association including factor analysis and regression analysis. Linearity represents the degree to which the change in the dependent variable is associated with the independent variable. Linearity was tested using correlation coefficients as suggested by Cohen, West and Aiken, (2003). Multicollinearity was the linear inter-correlation among variables in the study which examined the level of correlation between independent variables as well as correlation coefficient among variables, displayed in SPSS regression output. Multicollinearity increases the standard errors of the coefficients and thus makes some variables statistically not significant while they should otherwise be significant (Osborne and Waters, 2002). Multicollinearity was present when the VIF for at least one of the independent variables is large (more than 10). A multiple regression model was used to test the significance of the influence of the independent variables on the dependent variable. The multiple regression model was as laid below.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = Financial Performance of Women Groups

X<sub>1</sub> = Economic Factors

X<sub>2</sub> = Socio-cultural Factors

X<sub>3</sub> = Business Management

$X_4$  = Government Regulations

E= Error Term

$\beta_i$  = 1...4 measure of the sensitivity of the dependent variable (Y) to unit change in the predictor variables  $X_1$ ,  $X_2$ ,  $X_3$  and  $X_4$  and  $B_0$  = the Y intercept

$\varepsilon$  = the error term which captures the unexplained variations in the model.

Using SPSS, the regression model was tested on how well it fits the data. The significance of each independent variable was also tested. Fischer distribution test called F-test was applied. The p-value for the F-statistic was applied in determining the robustness of the model. The benchmark for this study for failure to reject or failure to accept the null hypothesis is a level of significance of 5 percent. If the p-value was less than 5 percent the null hypothesis fail to be accepted and the alternate hypothesis failed to be rejected. Also if the p-value was greater than 5 percent the null hypothesis failed to be rejected and the alternate hypothesis fails to be accepted, i.e.

**Reject  $H_0: \beta_x = 0$ ; if  $p < 0.05$ ,**

**Otherwise fail to reject the  $H_0: \beta_x = 0$**



## CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

### 4.1 Introduction

This chapter presents the results of the study. The descriptive statistics were presented as guided by the research objectives. The interpretation and discussion of the results are also presented. Table 4.1 presents the response rate of the respondents. The number of questionnaires that were administered was 110, out of these a total of 87 questionnaires were properly filled and returned while 23 were not returned. This represents an overall successful response rate of 79%. According to Babbie (2004) a response rate above 50% is acceptable to analyze and publish, 60% is good and 70% is very good. Therefore a response rate of 79% is very good. Statistical Package for Social Sciences (SPSS) was used to analyze the data which has been presented by use of tables and pie charts.

**Table 4.1: Response Rate**

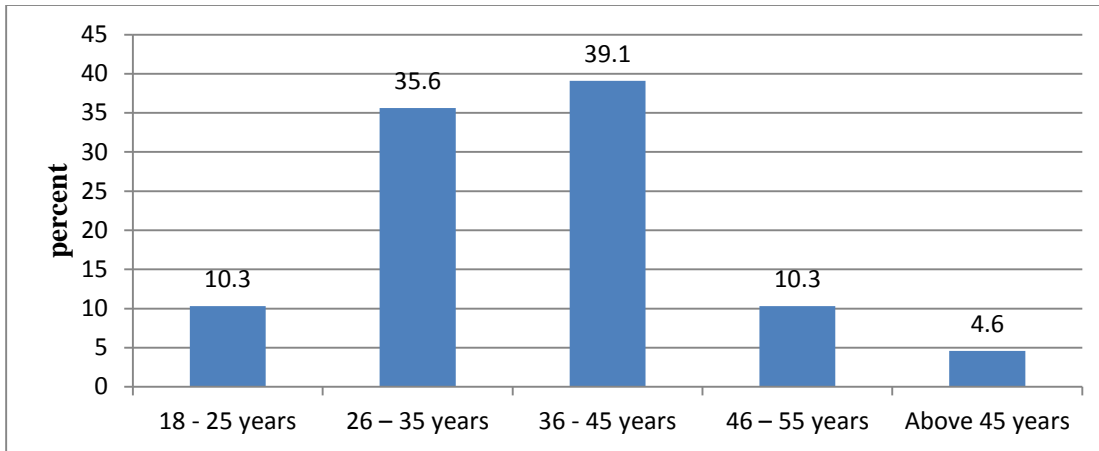
<b>Response rate</b>	<b>Frequency</b>	<b>Percent</b>
Returned	87	79%
Unreturned	23	21%
Total	110	100%

### 4.2 Demographic Data

This section analyzes the demographic characteristics of the respondents such as age of the respondents, marital status, size of the family and business plan.

#### 4.2.1 Age of the Respondents

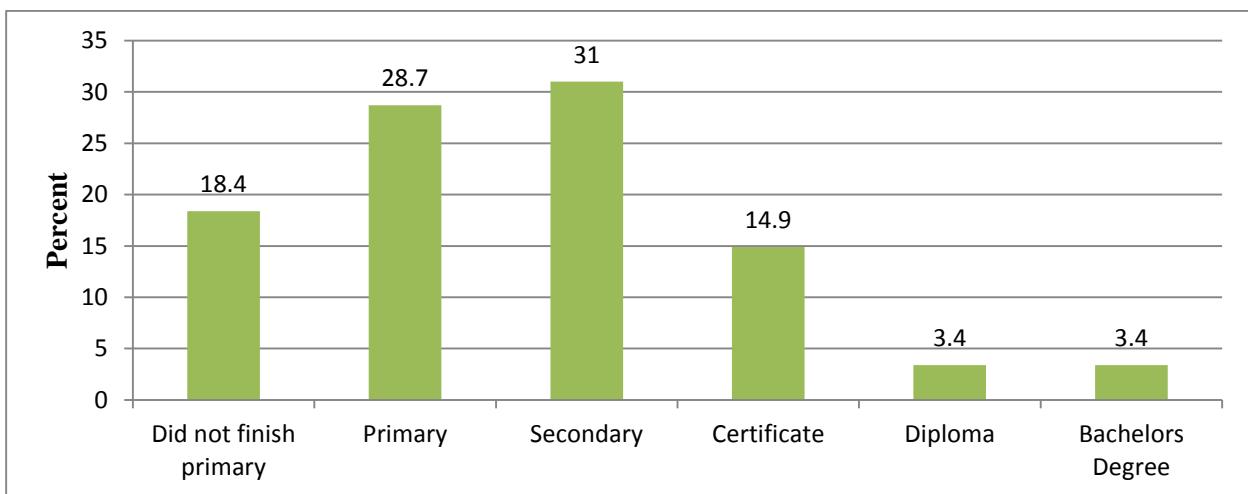
The respondents were asked to indicate their age brackets. Results in Figure 4.1 revealed 39.1% of the respondents were aged between 36 to 45 years and 35.6% were between the age of 26 to 35 years, 10.3% of the respondents were between 18-25years and between 46-55 years respectively while 4.6% of the respondents were above 45 years. The findings imply that most of the respondents were mature enough in managing businesses hence advantage to the study because quality information was attained.



**Figure 4.1 Age of the Respondent**

#### 4.2.2 Education Level of the Respondents

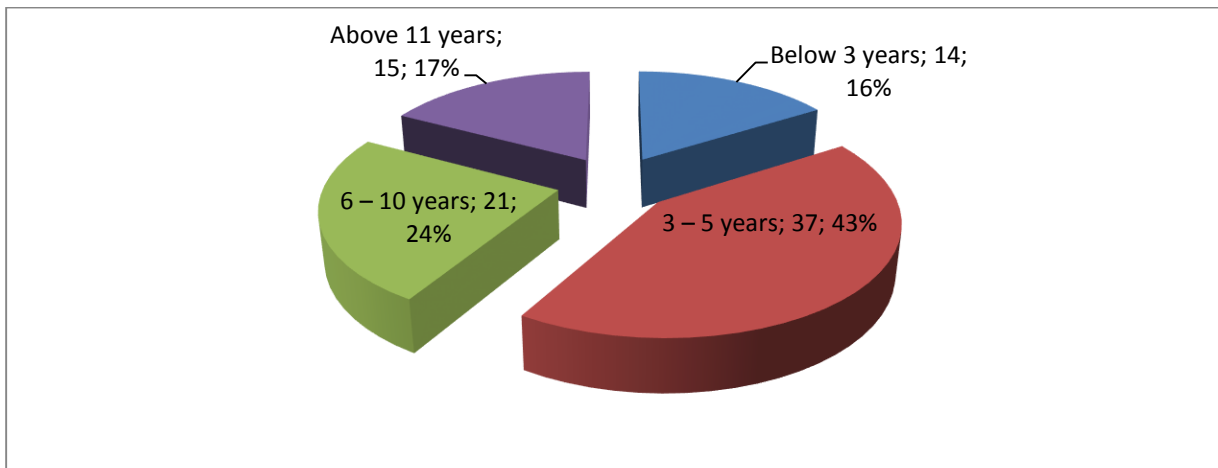
The study sought to find out about the education level of the respondents. Study findings in Figure 4.2 indicate that (31%) of the respondents had reached secondary level, 28.7% had attained primary level, (18.4%) did not finish school, (14.9%) had attained certificate level and (3.4%) had attained bachelors degree and diploma level respectively. The findings imply that the respondents had low level of education which could have contributed to derailed success.



**Figure 4.2: Education Level**

### 4.2.3 Period in Business

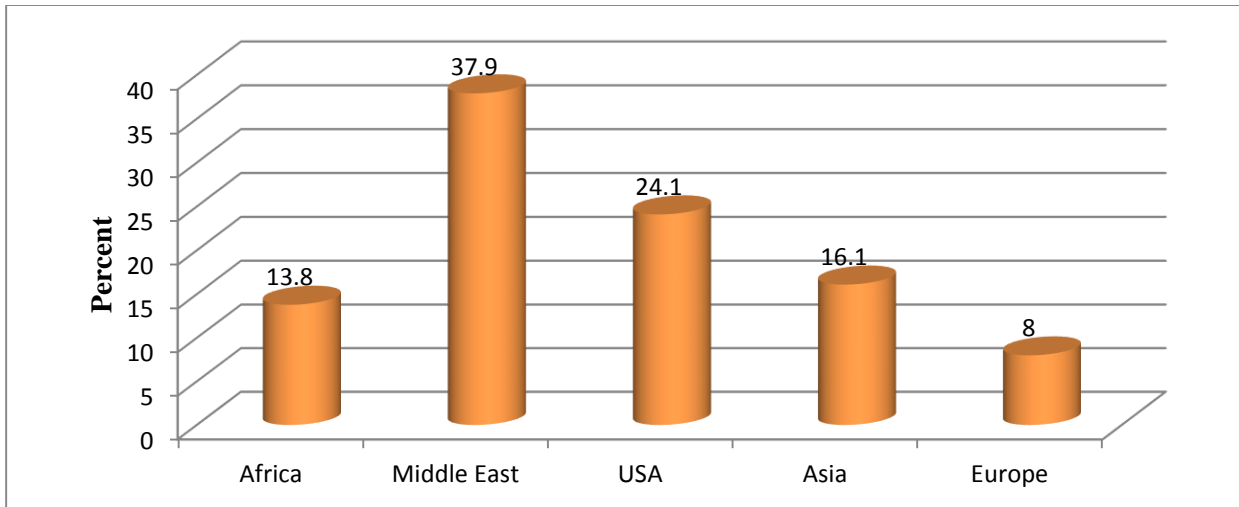
The study sought to find out the number of years that the respondents had been in business. Figure 4.3 indicated that 43% of the respondents had been in business for a period of more than 3 to 5 years, (24)% had worked for a period between 6 to 10 years, (16%) had worked below 3 years, 15.4% had worked below three years and (17%) had worked above 11 years. The finding implies that the respondents were appropriate and may impact positively on the coherence of the data obtained as they had operated their businesses long enough for them to be well aware of the factors affecting growth of their enterprises.



**Figure 4.3: Period in Business**

### 4.2.4 Countries Engaged in Business

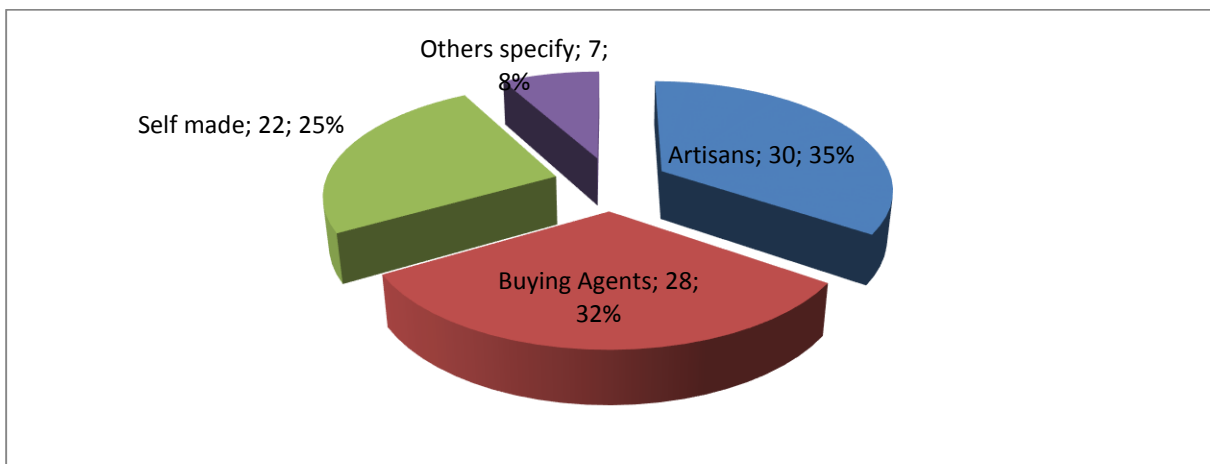
The study sought to find out which countries the respondents were engaging in international business with. Figure 4.4 indicates that 37.9% illustrated middle East countries, 24.1% indicated USA while 16.1% indicated Asia and 13.8% indicated Africa. The findings imply that the women groups were doing business with various countries and this has been made possible by the Government through women empowerment through entrepreneurial training and support in providing affordable loans in self help groups and chamas such as Uwezo fund.



**Figure 4.4: Countries Engaged in Business**

#### 4.2.5 Source of products

The respondents were asked to indicate the products that they were selling abroad. The respondents indicated wooden carvings, soapstone carvings, jewellery and other miscellaneous items such as Kikoi and kiondo. The study further sought to find out the source of your products traded across borders; 35% of the respondents indicated from artisans, 32% indicated from buying agents and 25% indicated self made products.



**Figure 4.5: Source of Funds**

### 4.3 Descriptive Results

#### 4.3.1 Performance

The respondents were asked to rate how their businesses have performed over the past years. Results in table 4.2 indicated that 66.6% indicated that there has been good growth in revenues of the business, 75.8% indicated that there has been good increase in profit and 88.5% indicated that there has been good increase in range of products. In addition, 63.2% indicated that there has been good increase in house hold income, 77% agreed that there has been improved living standards to their household and 83.9% agreed that there has been an increase in branches and 81.6% agreed that there has been an increase in number of employees. The mean score for this section was 3.98 which indicates that majority of the respondents agreed with the statements on performance.

**Table 4.2: Performance**

<b>Statement</b>	<b>Not at all</b>	<b>Poor</b>	<b>Average</b>	<b>Good</b>	<b>Very Good</b>	<b>Mean</b>	<b>Std. Deviation</b>
Growth in revenues	11.5%	8.0%	13.8%	42.5%	24.1%	3.6	1.262
Increased profits	2.3%	9.2%	12.6%	31.0%	44.8%	4.07	1.076
Increase in range of products	1.1%	5.7%	4.6%	52.9%	35.6%	4.16	0.847
Increase in house hold income	1.1%	5.7%	29.9%	41.4%	21.8%	3.77	0.898
Improved living standards in your household	2.3%	9.2%	11.5%	47.1%	29.9%	3.93	0.998
Increase in branches	0.0%	6.9%	9.2%	51.7%	32.2%	4.09	0.83
Increase in number of employees	0.0%	8.0%	10.3%	33.3%	48.3%	4.22	0.933
Average	2.6%	7.5%	13.1%	42.8%	33.8%	3.98	0.978

#### 4.3.2 Economic Factors and Performance

The first objective of the study was to establish the effect of economic factors on financial performance of women groups in export business at Masaai Market. Table 4.3 shows that 85.1% of the respondents agreed that the Group was satisfied with the financial access given by micro finances and other lending institutions, 86.2% agreed that they encounter stringent loan

conditions when accessing loans and 74.7% agreed that the loans repayment conditions they get are they friendly and supportive for the business. In addition, 80.4% of the respondents agreed that they have collateral for the loan they would need to acquire, 77% agreed that good road network was available to them around market and it was easy to bring their stock to the market and to the Air port, while 88.5% agreed that infrastructure affects performance in their business and 83.9% agreed that the group encountered a lot of competition in the market thus gets hard to access the market. Finally 78.1% of the respondents agreed that they had ability to tap into new markets requiring expertise, knowledge and contacts. The mean score for responses for this section was 4.13 which indicates that majority of the respondents agreed that economic factors were a key determinant of women groups performance.

A mean of greater than 1 and less than 1.5 implied that economic factors influenced business performance to no extent. Means of greater than 1.5 and less than 2.5 implied that economic factors influenced business performance to a little extent. Means of greater than 2.5 and less than 3.5 implied that economic factors influenced business performance to a moderate extent. A mean of greater than 3.5 and less than 4.5 implied that economic factors influenced business performance to a greater extent. A mean of greater than 4.5 implied that economic factors influenced business performance to a very great extent.

The standard deviation on the other hand describes the distribution of the response in relation to the mean. It provides an indication of how far the individual responses to each factor vary from the mean. A standard deviation of 1 or near 1 indicates that the responses are moderately distributed, while that near 0 indicates that there is no consensus on the responses obtained. An average of 0.966 for all statements on economic factors indicates that the responses were moderately distributed.

The study findings are in agreement with those of Onyango, Mwangi and Kibet (2013) who assessed the socio economic characteristics of successful collective action in Kenya's self-help organizations' sector in Ugenya Constituency of Siaya County and found that groups' socio-economic characteristics such as gender, education, age of members and groups, member turnover, group size were significantly related to performance of self-help groups. It was

therefore concluded that groups' socioeconomic characteristics were major performance determinants in self-help groups.

**Table 4.3: Economic Factors**

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Undecided</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Mean</b>	<b>Std. Deviation</b>
Is the Group satisfied with the financial access given by micro finances and other lending institutions?	0.0%	8.0%	6.9%	34.5%	50.6%	4.28	0.911
Do you encounter stringent loan conditions when accessing loans	2.3%	8.0%	3.4%	36.8%	49.4%	4.23	1.008
The loans repayment conditions you get are they friendly and supportive for the business	4.6%	6.9%	13.8%	50.6%	24.1%	3.83	1.025
Do you have collateral for the loan you would need to acquire	1.1%	8.0%	10.3%	49.4%	31.0%	4.01	0.921
Good road network is available to us around market and its easy to bring our stock to the market and to the Airport	3.4%	8.0%	11.5%	48.3%	28.7%	3.91	1.019
Infrastructure affects performance in our business	0.0%	4.6%	6.9%	40.2%	48.3%	4.32	0.8
Does the group encounter a lot of competition in the market thus gets hard to access the market	2.3%	4.6%	9.2%	29.9%	54.0%	4.29	0.975
Do you have ability to tap into new markets requires expertise, knowledge and contacts	2.3%	8.0%	11.5%	26.4%	51.7%	4.17	1.07
Average	2.0%	7.0%	9.2%	39.5%	42.2%	4.13	0.966

### 4.3.3 Socio-cultural factors and Performance

The second objective of the study was to establish the effect of socio-cultural factors on financial performance of women groups in export business at Masaai Market. Table 4.4 illustrates that

77% of the respondents agreed that the women had attained high education levels which enabled growth in their businesses, 75.9% agreed that family and parental responsibilities take much of their time which deny them enough time to focus on their business and 82.8% agreed that women regularly discriminated against in business dealings due to their being women. Sixty seven point eight percent of the respondents agreed that being a woman had denied many women opportunity of owning assets due to the prejudice and discrimination, 85.1% agreed that the women supported by their families and relatives in their businesses, while 75.8% agreed that they had a better of social acceptability due to their export business and 78.2% agreed that the societies attitude towards their products/services was positive. The mean score for responses for this section was 4.00 which indicates that majority of the respondents agreed that socio-cultural factors were a key determinant of women groups performance.

A mean of greater than 1 and less than 1.5 implied that the socio-cultural factors influenced business performance to no extent. Means of greater than 1.5 and less than 2.5 implied that socio-cultural factors influenced business performance to a little extent. Means of greater than 2.5 and less than 3.5 implied that socio-cultural factors influenced business performance to a moderate extent. A mean of greater than 3.5 and less than 4.5 implied that socio-cultural factors influenced business performance to a greater extent. A mean of greater than 4.5 implied that socio-cultural factors influenced business performance to a very great extent.

The standard deviation on the other hand describes the distribution of the response in relation to the mean. It provides an indication of how far the individual responses to each factor vary from the mean. A standard deviation of 1 or near 1 indicates that the responses are moderately distributed, while that near 0 indicates that there is no consensus on the responses obtained. An average of 1.06 for all statements on socio-cultural factors indicates that the responses were moderately distributed.

Results are in line with Sharafizad (2011) who conducted a study in Australia on the determinants of business networking behaviour of women in small businesses and established that networking is important for small business owners as it can increase the success rate of their business. The study findings revealed that the industry, industry experience, and family responsibilities had direct impact on the networking behaviour of women small business owners,



with family and domestic responsibilities being the most significant. Additionally, the study established that the more domestic responsibility the women had, the less likely they were to spend time doing non-core business activities, which networking was often perceived as. Further, the study observed that specific and relevant training programs gave the women more confidence to talk about their business which enhanced their success rate. However, as the educational backgrounds of the participants were often the determining factor behind their chosen industry, it was concluded that educational background does indirectly impact the networking behaviour and success of the owners.

**Table 4.4: Socio-cultural Factors**

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Undecided</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Mean</b>	<b>Std. Deviation</b>
Have the women attained high education levels which enables growth in their businesses	1.1%	5.7%	16.1%	32.2%	44.8%	4.14	0.967
Do family and parental responsibilities take much of your time which deny you enough time to focus on your business	3.4%	9.2%	11.5%	46.0%	29.9%	3.9	1.046
Are women regularly discriminated against in business dealings due to their being women	1.1%	8.0%	8.0%	34.5%	48.3%	4.21	0.978
Being a woman has denied many women opportunity of owning assets due to the prejudice and discrimination	5.7%	17.2%	9.2%	20.7%	47.1%	3.86	1.331
Are the women supported by their families and relatives in their businesses	3.4%	4.6%	6.9%	39.1%	46.0%	4.2	0.998
Do you have a better of social acceptability due to our export business	8.0%	5.7%	10.3%	51.7%	24.1%	3.78	1.125
Is societies attitude towards our products/services positive	4.6%	4.6%	12.6%	50.6%	27.6%	3.92	1.003
Average	3.9%	7.9%	10.7%	39.3%	38.3%	4.00	1.06

#### **4.3.4 Business Management Skills and Performance**

The third objective of the study was to establish the effect of business management skills on financial performance of women groups in export business at Masaai Market. Results in Table 4.5 reveals that 83.9% of the respondents agreed that in their group women have good inventory management skills that enabled them manage the business purchases and materials effectively, 86.2% agreed that in their group women possessed effective risk management skills that enabled them to measure and control risks that can affect their businesses and 78.2% agreed that they had effective sales and marketing knowledge and skills which enabled them to seek business customers and market their businesses well. Eighty five point one (85.1) percent of the respondents agreed that in their group women possessed strong networking and negotiation skills which enabled them to build relationships with various business people and individuals for the benefit of their businesses, while 81.6% agreed that they attended various seminars and workshops which had improved their business management skills and knowledge and 62.1% agreed that to be able to manage their businesses effectively, they attended business related courses. The mean score for responses for this section was 4.02 which indicates that majority of the respondents agreed that business management skills were a key determinant of women groups performance.

A mean of greater than 1 and less than 1.5 implied that business management skills influenced business performance to no extent. Means of greater than 1.5 and less than 2.5 implied that business management skills influenced business performance to a little extent. Means of greater than 2.5 and less than 3.5 implied that business management skills influenced business performance to a moderate extent. A mean of greater than 3.5 and less than 4.5 implied that business management skills influenced business performance to a greater extent. A mean of greater than 4.5 implied that business management skills influenced business performance to a very great extent.

The standard deviation on the other hand describes the distribution of the response in relation to the mean. It provides an indication of how far the individual responses to each factor vary from the mean. A standard deviation of 1 or near 1 indicates that the responses are moderately distributed, while that near 0 indicates that there is no consensus on the responses obtained. An

average of 0.906 for all statements on business management skills indicates that the responses were moderately distributed.

The findings are in support of Karanja and Bwisa (2013) who conducted a study on the factors that influence entrepreneurial success among women groups in Makuyu Division of Murang'a County. The research revealed that the women groups had high levels of cohesiveness which provided a network of support to members. This network and social support empowered the women to engage in business. Additionally, the society held women groups with high esteem and appreciated what the women groups were doing to improve welfare of members of the society. However, the women entrepreneurs were hindered by having inadequate business management skills. This research recommended that the women groups needed entrepreneurial training to empower them, as well as more support especially from policy formulation for enhanced entrepreneurial success.

**Table 4.5: Business management Skills**

<b>Statement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Undecided</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Mean</b>	<b>Std. Deviation</b>
In our group women have good inventory management skills that enable them manage the business purchases and materials effectively	1.1%	5.7%	9.2%	57.5%	26.4%	4.02	0.835
In our group women possess effective risk management skills that enable them to measure and control risks that can affect our businesses	0.0%	4.6%	9.2%	36.8%	49.4%	4.31	0.826
Do you have effective sales and marketing knowledge and skills which enable us to seek business customers and market our businesses well	1.1%	8.0%	12.6%	39.1%	39.1%	4.07	0.974
In our group women possess strong networking and negotiation skills which enable them to build relationships with various business people and	0.0%	4.6%	10.3%	50.6%	34.5%	4.15	0.785

individuals for the benefit of our businesses								
Do you attend various seminars and workshops which have improved our business management skills and knowledge	1.1%	10.3%	6.9%	54.0%	27.6%	3.97	0.933	
To be able to manage our businesses effectively, do you attend business related courses	2.3%	18.4%	17.2%	41.4%	20.7%	3.6	1.083	
Average	0.9%	8.6%	10.9%	46.6%	33.0%	4.02	0.906	

#### 4.3.5 Government Regulations and Performance

The fourth and last objective of the study was to establish the moderating effect of government regulations on the financial performance of women groups in export business at Masaai Market. Table 4.6 shows that 65.5% of the respondents agreed that they had networked with different administrative bodies, 64.3% agreed that they had access to policy makers and 81.6% agreed that they had no legal, institutional and policy constraints. In addition, 75.8% disagreed that they faced unfavorable legal and regulatory environments, 78.1% agreed that the tax levied on their business was reasonable and 65.5% disagreed that they faced unfavorable legal and regulatory environments. Finally, 70.1% of the respondents agreed that they enjoyed reduced trade barriers by the Government which improves their profits and 72.4% agreed that the country have a functioning tax system. The mean score for responses for this section was 3.94 which indicates that majority of the respondents agreed that government regulations were a key determinant of women groups performance.

A mean of greater than 1 and less than 1.5 implied that government regulations influenced business performance to no extent. Means of greater than 1.5 and less than 2.5 implied that government regulations influenced business performance to a little extent. Means of greater than 2.5 and less than 3.5 implied that government regulations influenced business performance to a moderate extent. A mean of greater than 3.5 and less than 4.5 implied that government regulations influenced business performance to a greater extent. A mean of greater than 4.5 implied that government regulations influenced business performance to a very great extent.

The standard deviation on the other hand describes the distribution of the response in relation to the mean. It provides an indication of how far the individual responses to each factor vary from the mean. A standard deviation of 1 or near 1 indicates that the responses are moderately distributed, while that near 0 indicates that there is no consensus on the responses obtained. An average of 1.19 for all statements on government regulations indicates that the responses were moderately distributed.

The findings of the study agree with those of Sagwe, Gicharu and Mahea (2011) conducted a study on youth and women entrepreneurs' preparedness in Kenya. This was to access how youth and women were prepared to take advantage of youth enterprise development fund and Kenya women enterprise fund (WEF). The study established that though the support provided to women through WEF had encouraged many to enter and expand their businesses, most of women entrepreneurs were unprepared to enter into entrepreneurship. The study established that though capital was important, women entrepreneurs needed training and network support to grow their businesses.

**Table 4.6: Government regulations**

Statement	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	Std. Deviation
Do you have network with different administrative bodies	4.6%	17.2%	12.6%	20.7%	44.8%	3.84	1.293
Do you access to policy makers	4.6%	16.1%	14.9%	24.1%	40.2%	3.79	1.259
Do you have no legal, institutional and policy constraints	4.6%	5.7%	8.0%	41.4%	40.2%	4.07	1.065
Do you face unfavorable legal and regulatory environments	28.7%	47.1%	11.5%	1.1%	11.5%	4.09	1.074
The tax levied on our business is reasonable	3.4%	8.0%	10.3%	35.6%	42.5%	4.06	1.082
Do you ever faced unfavorable legal and regulatory environments	27.6%	37.9%	16.1%	6.9%	11.5%	3.78	1.261
Do you enjoy reduced trade barriers by the Government which	8.0%	12.6%	9.2%	31.0%	39.1%	3.8	1.302

improves our profits							
Does our country have a functioning tax system	3.4%	11.5%	12.6%	19.5%	52.9%	4.07	1.199
Average	4.6%	11.8%	11.9%	28.6%	43.1%	3.94	1.19

#### 4.4 Inferential Statistics

##### 4.4.1 Bivariate Correlation

Table 4.7 displays the results of correlation test analysis between the dependent variable (performance) and independent variables and also correlation among the independent variables themselves. Results indicated that there was a positive and significant relationship between performance and all the independent variables. This reveals that any positive change in economic factors, socio-cultural factors, business management skills and government regulation leads to improved business performance.

**Table 4.7: Bivariate Correlation**

Variable		Performance	Economic Factors	Socio-cultural Factors	Business mgt skills	Government Regulation
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Economic Factors	Pearson Correlation	0.621	1			
	Sig. (2-tailed)	0.000				
Socio-cultural Factors	Pearson Correlation	0.631	0.565	1		
	Sig. (2-tailed)	0.000	0.000			
Business management skills	Pearson Correlation	0.587	0.485	0.606	1	
	Sig. (2-tailed)	0.000	0.000	0.000		
Government Regulation	Pearson Correlation	0.401	0.301	0.258	0.200	1
	Sig. (2-tailed)	0.000	0.005	0.016	0.064	

#### 4.4.2 Regression Analysis

In order to establish the statistical significance of the independent variables on the dependent variable (performance) regression analysis was employed. The regression equation took the following form.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where;

Y = Performance

X<sub>1</sub> = Economic factors

X<sub>2</sub> = Socio-Cultural Factors

X<sub>3</sub> = Business management Skills

X<sub>4</sub> = Government Regulations

In the model,  $\beta_0$  = the constant term while the coefficient  $\beta_{i=1 \dots 4}$  was used to measure the sensitivity of the dependent variable (Y) to unit change in the predictor variables.  $\varepsilon$  is the error term which captures the unexplained variations in the model

Table 4.8 shows that the coefficient of determination also called the R square is 0.572. This means that the combined effect of the predictor variables (Economic factors, socio-cultural factors, business management skills, and government regulations) explains 57.2% of the variations in financial performance of women groups. From the model summary table below adjusted R<sup>2</sup> was 0.551 this indicates that the combined effect of predictor variables (Economic factors, socio-cultural factors, business management skills, and government regulations) explains 55.1% of variations in financial performance of women groups. The correlation coefficient of 75.6% indicates that the combined effect of the predictor variables had a strong and positive correlation with financial performance of women groups. This also meant that a change in the drivers of performance that is economic factors, socio-cultural factors, business management

skills and government regulations had a strong and a positive effect on performance of women groups.

**Table 4.8: Regression Model Fitness**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	0.756a	0.572	0.551	0.38071

a Predictors: (Constant), Government Regulation, Business mgt skills, Economic Factors, Socio cultural Factors

Analysis of variance (ANOVA) on Table 4.9 shows that the combined effect of Economic factors, socio-cultural factors, business management skills, and government regulations was statistically significant in explaining changes in performance of women groups. This is demonstrated by a p value of 0.000 which is less than the acceptance critical value of 0.05. The results indicated that the overall model was significant, that is, the independent variables were good joint explanatory variables/determinants for performance (F=27.384, P value =0.000).

**Table 4.9: Analysis of Variance (ANOVA)**

<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	15.876	4	3.969	27.384	.000b
	Residual	11.885	82	0.145		
	Total	27.761	86			

a Dependent Variable: Performance

b Predictors: (Constant), Government Regulation, Business mgt skills, Economic Factors, Socio cultural Factors

Table 4.17 displays the regression coefficients of the independent variables. The results revealed that economic factors were statistically significant in explaining performance of women groups (beta=0.284, p value 0.002). The findings imply that an increase in economic factors effectiveness by one unit leads to improved performance of the women group by 0.284 units or at a rate of 28.4%.



Regression results further indicated that socio-cultural factors and performance of women group had a positive and significant relationship (beta= 0.219, p value 0.008). The findings imply that an increase socio-cultural factors effectiveness by one unit leads to improved performance of the women group at a rate of 21.9%.

Results further indicated that business management skills was statistically significant in explaining success of women enterprise (beta=0.252, p value 0.011). The findings imply that an increase in business management skills effectiveness by one unit leads to improved performance of the women group by 0.252 units or at a rate of 25.2%.

Finally, the results indicated that government regulations had a positive and significant relationship with success of women enterprise (beta=0.150, p value 0.012). The findings implied that government regulation was statistically significant in explaining performance of women group in export business. This further implies that if the government regulations are friendly and favourable to the women then their performance would improve greatly.

**Table 4.10: Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.344	0.37		0.929	0.355
	Economic Factors	0.284	0.089	0.292	3.203	0.002
	Socio-cultural Factors	0.219	0.081	0.268	2.709	0.008
	Business management skills	0.252	0.096	0.243	2.614	0.011
	Government Regulation	0.15	0.059	0.195	2.559	0.012

a Dependent Variable: Performance

## **CHAPTER FIVE: SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1. Introduction**

This chapter dealt with the summary of the findings, the conclusion and recommendations. This was done in line with the objectives of the study. Areas of further research were suggested and limitations of the study were taken into account.

### **5.2 Summary of study**

The purpose of this study was to establish the factors affecting financial performance of women groups in export business at Masaai Market. The study was guided by four objectives namely: to establish the effect of economic factors on financial performance of women groups in export business at Masaai Market, to establish the effect of socio-cultural factors on financial performance of women groups in export business at Masaai Market, to establish the effect of business management skills on financial performance of women groups in export business at Masaai Market and to establish the moderating effect of government regulations on the financial performance of women groups in export business at Masaai Market. This section attempted to summarize the findings that were obtained in chapter four.

#### **5.2.1 Economic Factors and Financial Performance of Women Group**

The first objective of the study was to establish the effect of economic factors on financial performance of women groups in export business at Masaai Market. The findings established that economic factors had great influence on financial performance of women groups in export business. This was supported by majority of the respondents who agreed that women in business get loans from financial institutions which have enabled them to expand their business and agreed that the loans repayment conditions women businesses get are friendly and supportive for the business. Regression results indicated that there was a positive and significant relationship between economic factors and performance of women groups in export business.

### **5.2.2. Socio- Cultural Factors and Financial Performance of Women Groups**

The second objective of the study was to establish the effect of socio-cultural factors on financial performance of women groups in export business at Masaai Market. The study finding indicated that socio- cultural factors are key determinants of financial performance of women groups in export business. This was supported by the descriptive and inferential statistics that indicated that majority of the respondents agreed that their family and parental responsibilities take much of women's time which deny them enough time to focus on their businesses and that women are regularly discriminated against in business dealings due to them being women. The study findings indicated that women were supported by their families and relatives in their businesses, they had a better of social acceptability due to their export business and the society's attitude towards their products/services was positive. Regression results indicated that there was a positive and significant relationship between socio- cultural factors and financial performance of women groups in the export business at Masaai Market.

### **5.2.3. Business Management Skill and Financial Performance of Women Groups**

The third objective of the study was to establish the effect of business management skills on financial performance of women groups in export business at Masaai Market. The study findings indicated that business skills affected the performance of women groups in export business. This was demonstrated by descriptive statistics that showed that majority of the respondents agreed that women attended various seminars and workshops which have improved their business management skills and knowledge for betterment and growth of business. Regression results indicated that there was a significant and positive relationship between business management skills and performance of women groups in export business in Masaai market.

### **5.2.4 Government Regulation and Financial Performance of Women Group**

The fourth and last objective of the study was to the moderating effect of government regulations on the financial performance of women groups in export business at Masaai Market. Government regulation was found to be a key determinant on performance of women group in export business. This was supported by overwhelming response from the respondents who agreed that they had access to policy makers, had no legal, institutional and policy constraints and agreed

that the tax levied on their business was reasonable. The respondents also indicated that the government had provided favorable legal and regulatory environments which made it easier to engage in the business. Regression results indicated that there was a positive and significant relationship between government regulation and financial performance of women group in export business. The findings imply that the government support is very vital in making the export business successful since it provides a platform for women to expose their products in the arranged expos and thus create more business for women.

### **5.3 Discussions**

#### **5.3.1 Effect of economic factors on financial performance of women groups in export business**

The study findings indicated that the Group was satisfied with the financial access given by micro finances and other lending institutions, women encountered stringent loan conditions when accessing loans and the loans repayment conditions they get are they friendly and supportive for the business. The findings are in support of Ramadani (2014) who hypothesized that there is a positive relationship between growth of a business and financial capital. This implies that lack of external credit leaves many micro and small entrepreneurs with inadequate family savings as the only recourse. Under resourced firms do not expand or make big profit margins as profit and capital base are relatively proportional.

Majority of the respondents agreed that they had ability to tap into new markets requiring expertise, knowledge and contacts. The mean score for responses for this section was 4.13 which indicates that majority of the respondents agreed that economic factors were a key determinant of women groups performance. Regression results revealed that economic factors were statistically significant in explaining performance of women groups ( $\beta=0.284$ ,  $p$  value 0.002). The study findings are in agreement with those of Onyango, Mwangi and Kibet (2013) who assessed the socio economic characteristics of successful collective action in Kenya's self-help organizations' sector in Ugenya Constituency of Siaya County and found that groups' socio-economic characteristics such as gender, education, age of members and groups, member turnover, group size were significantly related to performance of self-help groups. It was therefore concluded that groups' socioeconomic characteristics were major performance determinants in self-help groups.

### **5.3.2 Socio-cultural factors and Performance**

The study findings illustrated that the women had attained high education levels which enabled growth in their businesses, family and parental responsibilities took much of their time which deny them enough time to focus on their business and women were regularly discriminated against in business dealings due to their being women. Prevailing social and cultural gender based inequalities and biases weigh heavily against women. This was not in agreement with Okafor and Amalu (2010), knowledge and resources are culturally embedded and influences availability of resource and exploitation of potentials of women entrepreneurship. However, this study established that women groups had gone out of their way to acquire the necessary knowledge and skills to manage their business. This has been made possible by the seminars that are organized by the government and other financial institutions with the aim of empowering women entrepreneurs.

Majority of the respondents agreed that being a woman had denied many women opportunity of owning assets due to the prejudice and discrimination, women were supported by their families and relatives in their businesses, while majority agreed that they had a better of social acceptability due to their export business and the societies attitude towards their products/services was positive. The study findings are in agreement with those of Cesaroni and Sentuti (2014) who analyzed the success of women owned family businesses and revealed that the number of women involved in the ownership, management and direction of family businesses has been growing in the last few years.

The mean score for responses for this section was 4.00 which indicates that majority of the respondents agreed that socio-cultural factors were a key determinant of women groups performance. Regression results further indicated that socio-cultural factors and performance of women group had a positive and significant relationship (beta= 0.219, p value 0.008). Results are in line with Sharafizad (2011) who conducted a study in Australia on the determinants of business networking behavior of women in small businesses and established that networking is important for small business owners as it can increase the success rate of their business. The study findings revealed that the industry, industry experience, and family responsibilities had

direct impact on the networking behavior of women small business owners, with family and domestic responsibilities being the most significant.

### **5.3.3 Business Management Skills and Performance**

Results revealed that women in their group women had good inventory management skills that enabled them manage the business purchases and materials effectively, their group women possessed effective risk management skills that enabled them to measure and control risks that can affect their businesses and majority agreed that they had effective sales and marketing knowledge and skills which enabled them to seek business customers and market their businesses well. These findings are in line with Sagwe et al. (2011) who opined that to succeed in entrepreneurship one requires training and education in business managing skills. These skills refer to the concepts, skills and mental awareness used by individuals during the process of starting and developing their growth-oriented ventures. Similarly, Sherifat (2013) added that the other skills required to be able to run a successful business include skills in goal setting, planning and organizing, decision making, networking skills, selling skills, financial management, marketing, organization and risk management. These skills provide an entrepreneur the advantage to grow the business.

Majority of the respondents agreed that in their group women possessed strong networking and negotiation skills which enabled them to build relationships with various business people and individuals for the benefit of their businesses, women agreed that they attended various seminars and workshops which had improved their business management skills and knowledge and for them to be able to manage their businesses effectively, they attended business related courses. The mean score for responses for this section was 4.02 which indicates that majority of the respondents agreed that business management skills were a key determinant of women groups performance. Results further indicated that business management skills was statistically significant in explaining success of women enterprise (beta=0.252, p value 0.011). The findings are in support of Karanja and Bwisa (2013) who conducted a study on the factors that influence entrepreneurial success among women groups in Makuyu Division of Murang'a County and revealed that the women groups had high levels of cohesiveness which provided a network of

support to members. This network and social support empowered the women to engage in business.

### **5.3.4 Government Regulations and Performance**

The study findings revealed that women had networked with different administrative bodies, they had access to policy makers and they had no legal, institutional and policy constraints. In addition, majority of the respondents disagreed that they faced unfavorable legal and regulatory environments, women agreed that the tax levied on their business was reasonable and disagreed that they faced unfavorable legal and regulatory environments. The study findings are inconsistent with those of International Labour Organization (2008) who conducted a study on the factors affecting Women Entrepreneurs in Micro and Small Enterprises in Kenya and established that though women had engaged in various MSEs, they faced low prospects of growth. This was due to various factors which included financial and credit availability and accessibility, legal and regulatory barriers, limited entrepreneurial culture and management skills and women's heavier household financial and time burden.

Finally, the study findings indicated that they enjoyed reduced trade barriers by the Government which improved their profits and the country had a functioning tax system. The mean score for responses for this section was 3.94 which indicates that majority of the respondents agreed that government regulations were a key determinant of women groups performance. Regression results indicated that government regulations had a positive and significant relationship with success of women enterprise ( $\beta=0.150$ ,  $p$  value 0.012). The findings implied that government regulation was statistically significant in explaining performance of women group in export business. This further implies that if the government regulations are friendly and favourable to the women then their performance would improve greatly. The findings of the study agree with those of Sagwe, Gicharu and Mahea (2011) conducted a study on youth and women entrepreneurs' preparedness in Kenya.

## **5.4 Conclusions**

Based on the objectives and the findings of the study the following conclusion can be made. The study concluded that there was improved performance in women groups in export businesses

which could be associated with different factors such as government support, favourable economic, socio-cultural factors and acquisition of business management skills. This has been made possible by women forming groups such as chamas and self help groups which become more easier to venture into businesses as a group rather than an individual. It was possible to conclude that economic factors such as access to finance are a key determinant of financial performance of women groups in export business. Accessibility to loans and credit finance enables women to start up small businesses and become entrepreneurs. Support groups and chamas assist in growth of their business and women groups had high levels of cohesiveness which provided a network of support to members. This network and social support empowered the women to engage in business.

Socio- cultural factors were key determinant of growth of women entrepreneurs. This was concluded because some roles ascribed to them by culture. For instance, they are responsible for household tasks and raising of children at home and giving birth hence have the mentality that entrepreneur should only be men. The study concludes that with devolution taking shape in the country, women are the most favoured since they are being empowered so as to help eradicate poverty in the country thus being supported in the small businesses they are doing and urged to form groups which will enhance empowerment as compared to individual capacities by provision of financial support through Uwezo funds.

It was also possible to conclude that business management skills were a strong determinant of financial performance of women groups in export business. The study concludes that seminars and workshops offered to women have improved women business management skills and knowledge which has had an impact to the performance of business. Through acquiring these skills, the women were able to network easily, market their products even on social media and have good and effective negotiation and marketing skills.

Based on the findings it was possible to conclude that government regulation was a key determinant of financial performance of women groups in export business in Masaai market. There are no legal, institutional and policy constraints in starting and running a business in Kenya and there is also government support in starting business as they are taxed reasonably on their goods and enjoy reduced trade barriers from the government. The procedures for getting



licenses' to start a business has been made easy and possible since the government went digital and indicated it was also easy to access the policy makers. The government has proved to be supportive of women and youths who are embracing entrepreneurship since not all Kenyans can get formal jobs and thus maximum support to entrepreneurs or juakali people since they also create employment to jobless youths and the contribute so much to the economy.

## **5.5 Recommendations**

The study recommends that there is a need for development of women-tailored products. Financial institutions should be encouraged to develop new products and services to target women entrepreneurs taking into account the strengths and weaknesses of women borrowers. A targeted package of asset financing and/or lease hire facilities, for instance, would minimize the diversion of funds from non-business needs - a common problem among women borrowers. This will help to substitute what the government has disbursed so as to cater for all women needs.

Most of the women entrepreneurs depend on third party opinions to get things done especially in marketing and sales departments. Therefore, advocating for women education through seminars would enlighten most of those whose are not familiar with record keeping and basic business management skills. Support groups and organizations of women entrepreneurs should work collectively to confront the prevailing socio-cultural values and norms which end up in men getting better (informal) or have power over the available resources.

The government should put up in place institutional capacity and structure that are easily accessible for business advice. Relevant institutions should create specialized departments to address women's needs. This would directly enhance the dissemination of information regarding the available services especially in rural areas. The institutions should also take proactive steps towards developing the business skills of women entrepreneurs. This should include the use of specialized programmes with an inbuilt mechanism to monitor the progress of such capacity building initiatives.

## **5.6 Suggestion for Further Research**

The researcher recommends future researchers on this topic to include specific sector factors such as experience, level of education, marketing and promotion capacity and networking. A

wider area may be studied to include both urban and rural areas to see whether the findings hold true in businesses run by individuals and partnerships.

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## APPENDICES

### Appendix I: Introduction

Date.....

The Chair Lady

XXXX Women Group

P.O Box -----

Nairobi – Kenya

Dear Sir,

#### **RE: REQUEST FOR PERMISSION FOR DATA COLLECTION**

I am a Masters student at Kenya College of Accountancy University. I wish to conduct a research titled “*factors affecting financial performance of women groups in export business at Masai Market*”. A questionnaire has been developed to assist in gathering relevant information for this study. I wish to seek your permission to be allowed access to your group members who will be selected randomly and issued with a questionnaire.

Your grant of permission to conduct the study in your group will be highly appreciated. I wish to guarantee you that all information will be treated with utmost confidentiality and high ethical standards will be observed.

Yours Sincerely

**Bethseba Bosibori**

## **Appendix II: Questionnaire to Women Traders**

This Questionnaire is aimed at seeking facts and information about your business and factors that may have affected performance of your business. You have been selected to participate in the study. Please answer the questions by ticking or filling on the space provided.

### **SECTION A: GENERAL INFORMATION**

1. Please indicate your age category.

18 - 25 years            [ ]

26 – 35 years            [ ]

36 - 45 years            [ ]

46 – 55 years            [ ]

Above 45 years            [ ]

2. Please indicate your highest educational qualification.

Did not finish primary [ ]

Primary                    [ ]

Secondary                [ ]

Certificate                [ ]

Diploma                    [ ]

Bachelors Degree [ ]

3. Please indicate how long you have been in international business.

Below 3 years [ ]

3 – 5 years [ ]

6 – 10 years [ ]

Above 11 years [ ]

4. Which countries are you engaging international business in?

Africa ( ) Middle East ( ) USA ( ) Asia ( ) Europe ( )

Other – specify.....

5. Which products is your business selling abroad.....

6. What is the source of your products traded across borders?

Artisans ( ) Buying Agents ( ) Self made ( ) Others specify

**SECTION B: PERFORMANCE OF WOMEN GROUPS**

1. Please indicate how your business has improved over the last five years in the below listed areas. Rate using the scale provided



<b>Performance measure</b>	<b>Not at all</b>	<b>Poor</b>	<b>Average</b>	<b>Good</b>	<b>Very good</b>
Growth in revenues					
Increased profits					
Increase in range of products					
Increase in house hold income					
Improved living standards in your household					
Increase in branches					
Increase in number of employees					

### **SECTION C: ECONOMIC FACTORS**

1. Please indicate your agreement with the following statements on economic factors and how it has affected your business. The rating is as follows: 1- Strongly disagree, 2 – Disagree ,3 – Neutral, 4 – Agree, 5 – Strongly agree

Statement	1	2	3	4	5
Is the Group satisfied with the financial access given by micro finances and other lending institutions?					
Do you encounter stringent loan conditions when accessing loans					
The loans repayment conditions you get are they friendly and supportive for the business					
Do you have collateral for the loan you would need to acquire					
Good road network is available to us around market and its easy to bring our stock to the market and to the Air port					
Infrastructure affects performance in our business					
Does the group encounter a lot of competition in the market thus gets hard to access the market					
Do you have ability to tap into new markets requires expertise, knowledge and contacts					

#### **SECTION D: SOCIO-CULTURAL FACTORS**

1. Please indicate your agreement with the following statements on socio-cultural factors and how they have affected you in business. The rating is as follows: 1- Strongly disagree, 2 – Disagree 3 – Neutral 4 – Agree 5 – Strongly agree

Statement	1	2	3	4	5
Have the women attained high education levels which enables growth in their businesses					
Do family and parental responsibilities take much of your time which deny you enough time to focus on your business					
Are women regularly discriminated against in business dealings due to their being women					
Being a woman has denied many women opportunity of owning assets due to the prejudice and discrimination					
Are the women supported by their families and relatives in their businesses					
Do you have a better of social acceptability due to our export business					
Is societies attitude towards our products/services positive					

2. How do home chores interfere with the financial performance of your business?.....

.....

.....

**SECTION E: BUSINESS MANAGEMENT SKILLS**

1. Please indicate your agreement with the following statements on your business management skills. The rating is as follows: 1- Strongly disagree, 2 – Disagree,3 – Neutral, 4 – Agree, 5 – Strongly agree

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
In our group women have good inventory management skills that enable them manage the business purchases and materials effectively					
In our group women possess effective risk management skills that enable them to measure and control risks that can affect our businesses					
Do you have effective sales and marketing knowledge and skills which enable us to seek business customers and market our businesses well					
In our group women possess strong networking and negotiation skills which enable them to build relationships with various business people and individuals for the benefit of our businesses					
Do you attend various seminars and workshops which have improved our business management skills and knowledge					
To be able to manage our businesses effectively, do you attend business related courses					

2. Please explain if you have adequate business management skills that has enabled you to grow your business over the period that it has been operational.

.....

.....

.....

**SECTION F: GOVERNMENT REGULATIONS**

1. Please indicate your agreement with the following statements on government regulations and how it has affected your business. The rating is as follows: (1- Strongly disagree, 2 – Disagree, 3 – undecided, 4 – Agree and 5 – Strongly agree)

<b>Government regulations</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Do you have network with different administrative bodies					
Do you access to policy makers					
have no legal, institutional and policy constraints					
Do you face unfavorable legal and regulatory environments					
The tax levied on our business is reasonable					
Do you ever faced unfavorable legal and regulatory environments					
Do you enjoy reduced trade barriers by the Government which improves our profits					
Does our country have a functioning tax system					

2. Which bureaucracies and red tapes have you ever encountered in relation to licensing and taxation if any?

.....

.....