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**Joseph Gitari Ndururi, PhD**

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Joseph Gitari Ndururi, PhD

E-mail of the author: gitarijoseph@gmail.com

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## Abstract

The aim of the study was to analyze the influence of entrepreneurship skills on growth of women-owned MSEs in Central Kenya counties. The study was anchored by the Knowledge Spillover theory. The research adopted descriptive research design with a target population of 2472 women entrepreneurs registered and recipients of Uwezo Fund. A sample size of 333 respondents was selected. Data was collected through questionnaires. Descriptive and inferential statistics were used in data analysis through the use of Statistical Package for Social Sciences. The findings of the study revealed that entrepreneurship skills were positively and significantly related to the growth of women-owned MSEs in Central Kenya Counties. The study further established that delegation skills, risk taking skills and communication skills were pertinent in explaining the growth of women-owned MSEs. The study concluded that entrepreneurship skills positively and significantly influence growth of women-owned MSEs in Central Kenya Counties. The study also concluded that women entrepreneurs failed to see the significant contribution of entrepreneurship skills in enhancing enterprise growth. The study recommended that women entrepreneurs should be bold in embracing entrepreneurship skills such as communication skills, risk taking skills and communication skills.

**Keywords:** *Entrepreneurship Skills, Women-Owned Enterprises, Growth of Enterprises*

## 1.1 INTRODUCTION

Entrepreneurial skills are inbuilt competencies that are indispensable for self-employment and enterprise growth. They rise over and above any occupational skills that may be required in an enterprise (Msoka, 2013). They include personal values, attitudes, and interpersonal skills, communication skills, networking abilities and risk assessment and awareness (OECD, 2010). According to Ndirangu (2013), entrepreneurial skills help in the improvement of decision making, communications skills and interpersonal skills which lead to enterprise growth as manifested by the opening of new branches thus getting into new markets bringing the aspect of innovation performance in the firm. Entrepreneurship skills are a necessity for an enterprise owner with a vision of growth of their enterprise. Entrepreneurs therefore have the mandate of developing their entrepreneurship skills to be successful in spurring growth in the enterprise (OECD, 2010).

According to Akande (2011), entrepreneurship skills are requisite entrepreneurial characteristics or qualities needed in running a successful enterprise in the competitive business environment. For an entrepreneur to be successful in the current competitive

entrepreneurial environment, they require requisite and broad entrepreneurship skills. Tsvetanla (2010) noted that for an entrepreneur to succeed in creating growth in an enterprise, they require basic foundations of entrepreneurial skills. These skills are necessary in the endeavour to finance, develop and own a successful and growing enterprise. On the other hand, lack of adherence to these skills has usually led to failure of small enterprises.

Khalique, Bontis, Shaari and Isa (2015) indicated that customer care skills are important entrepreneurship skills for ensuring the growth of small enterprises. Customers always want and desire to be treated in a manner that they feel valued by the enterprise owner. They usually expect to be treated with respect and dignity that they desire for them to make repeat buying of the products of an enterprise and even refer others to the enterprise. Another important entrepreneurship skill vital in small enterprises is delegation skills. Khalique et al. (2015) stated that research has shown that though delegation skills are important in small enterprises, entrepreneurs operating small enterprises rarely delegate. Ability to delegate to owners of the small enterprises is a big problem. Small enterprise owners do not trust and hesitate to delegate to their employees even when there is phenomenal growth in the business. They usually like to operate the enterprise all by themselves. Delegation skills are therefore important elements of inculcating growth of women enterprises (Akande, 2011).

Khalique et al. (2015) suggested that marketing skills are crucial in projecting the growth of women enterprises. Marketing skills comprise of all the human related activities undertaken by an enterprise that eventually lead to profit making. Marketing skills create a platform of information, knowledge and a sense of confidence in the entrepreneur's endeavour to invigorate the growth of their enterprises. Successful entrepreneurs with the desire to forge growth in their enterprise should possess a number of important marketing skills. They include; information on the occasional fluctuation of goods and services in the market, knowledge on the estimated future prices of products, knowledge of advertising skills of products, knowledge of the extent of the competition and knowledge on the availability and shortages of products in the market (Ezeani, 2012).

Report on adoption and repayment of Uwezo Fund in Central Kenya counties in 2017 indicated that five out of the top ten best performing (uptake, payment and expansion) constituencies in Kenya are from Central Kenya counties. They include Kiharu, Gichugu, Ol Kalou, Kabete and Kipipiri constituencies. Despite this phenomenon growth, the casualty level of women Micro and Small Enterprises (MSEs in Central Kenya counties is not better from the rest of the country (Uwezo Fund, 2017). Therefore, there is need to analyze whether lack of entrepreneurship skills among women entrepreneurs is the cause of dismal growth in women-owned MSEs in Central Kenya Counties.

## **1.2 Statement of the Problem**

Entrepreneurial skills are key attributes that help in the improvement of decision making, communications skills and interpersonal skills which lead to growth of enterprises (Kamuyu & Theuri, 2017). Entrepreneurial skills are valuable attributes for determining growth of women enterprises. They are competences necessary for the success of women enterprise above any occupational skills which may be required (Tabwe, 2015). Despite the importance attributed to entrepreneurship skills for growth of enterprises, Muthathai (2017) indicated that majority of women enterprises rarely embrace entrepreneurial skills as crucial competencies for enhancing growth.

This is evidenced from the fact that 60% of women-owned MSEs remain among the smallest and informal enterprises, with slow growth (Ongachi & Bwisa, 2013). Women owned enterprises have fewer employees than those owned by men and earn only 57% of the income earned by their male counterparts (World Bank, 2010). This study therefore aims at analyzing whether the slow growth rate among women-owned MSEs in Central Kenya counties supported by Uwezo Fund is due to non-embracing of entrepreneurship skills.

### **1.3 Objective of the study**

The general objective of the study was to analyze the influence of entrepreneurship skills on growth of women-owned MSEs in Central Kenya counties.

### **1.4 Research Hypothesis**

**H<sub>01</sub>:** Entrepreneurship skills have no significant influence on growth of women-owned MSEs in Central Kenya counties.

## **2.0. LITERATURE REVIEW**

### **2.1 Theoretical Review**

#### **2.1.1 Knowledge spill over theory**

The Knowledge Spill Over theory has its origin in Alfred Marshall in 1890. The Knowledge Spill Over theory of entrepreneurship considers that in entrepreneurship, technological changes create enabling opportunities for creation of new knowledge among entrepreneurs that expands opportunities for enterprise growth (Chesbrough, 2003). The growth in entrepreneurial opportunities does not only involve only creation of new opportunities but also exploitation of new knowledge through knowledge spillover that is crucial in driving entrepreneurial growth in the targeted enterprises (Weber & Tarba, 2014).

Through the knowledge spillover theory, the onus of decision making is converted from the organizational to the individual entrepreneur's level. These entrepreneurial individuals have the capacity to embrace new entrepreneurship skills and knowledge (Chesbrough, 2003), that are essential in venture creation and growth. Entrepreneurs with new knowledge have the capacity and experience and even will power to pursue new opportunities and even expand the existing one. The new spillover knowledge creates capacity in the entrepreneurs to create new and strong entrepreneurial ventures and even inculcate growth in their activities (Weber & Tarba, 2014).

According to Chesbrough (2003), if the incumbent enterprises and owners appropriate all the results of research and development in open innovation model, accessing of entrepreneurial knowledge across the enterprise significantly speeds the growth process and increases the innovative growth potential of the enterprise. This theory supported this study since entrepreneurship skills are acquired through research and development in entrepreneurial intangible resources, and full utilization of these skills result to the introduction of new products, entry into new markets, and growth of women-owned MSEs in Kenya.

### **2.2 Empirical Review**

Muthathai (2017) studied on the factors influencing the growth of women enterprises in Kenya. The specific objectives for the study were to determine the socio-economic factors, personal characteristic and support influences the growth of women enterprise. The study employed a descriptive research design and focused on a population of 812 business women. Data was collected from 269 respondents who were selected using the stratified random sampling technique from the three different markets. The primary data was collected through a structured questionnaire and analyzed using descriptive statistics. Research findings revealed that the majority of women lacked entrepreneurial skills did not practice bookkeeping and budgeting in their businesses. In addition, most women ran their businesses themselves without support from any supporting group. The study was on socio-economic factors, personal characteristic and support influences the growth of women owned businesses, while the focus of the current study is on entrepreneurial intangible resources and growth of women-owned MSEs.

Additionally, Kamuyu and Theuri (2017) examined the issues affecting women owned SMES in Kwale county of Kenya. There were four variables under consideration, option for finance, entrepreneurial skills by the owner, management of working capital, and regulation by government. Descriptive survey method was used and the study targeted 708 managers of women owned and registered enterprises in Ukunda, Kwale County. A sample size of 45 respondents was selected through stratified sampling techniques. The findings showed, low business skills, inadequacy in managerial and customer care skills. The study focus was on business skills, inadequacy in managerial and customer care skills among women SMEs while the current study is on women owned MSEs.

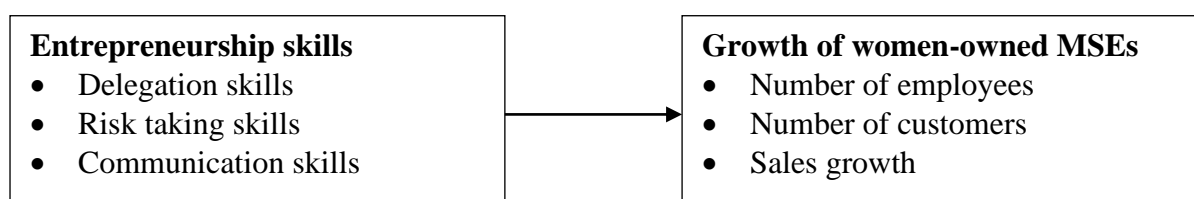
Koech and Namusonge (2015) sought to establish the factors influencing growth of women enterprises in Nairobi County. Questionnaires were used to collect primary data with secondary data collected through review of related studies. The sample size comprised of 30 women enterprises based in Kamukunji, Kibera and Gikomba markets in Nairobi. The findings showed that a number of variables significantly explained growth of women enterprises. They included individual characteristics, motivation and goal of the entrepreneur, affiliation to networks, entrepreneurial orientation of the entrepreneurs and their individual managerial styles. The concept of the study was relating characteristics of the entrepreneurs, motivation and goals to start and run the enterprises, the networks affiliations and entrepreneurial orientation on performance while the current study related innovation, relational and entrepreneurial capital on growth of women enterprises.

Further, Tambwe (2015) investigated on the impact of the entrepreneurship training on performance of women enterprises in Ilala District in Tanzania. Specifically, the study attested the influence of entrepreneurship training on performance of enterprises. A sample of 60 food vendors from Ilala District was used to test the hypothesis before and after the training. Theoretically, the research questions and hypothesis were tested and data were presented using statistical parameters such as percentages, frequencies and correlations. The study findings reveal that proper entrepreneurship training leads to successful performance of MSEs. The key skills perceived to be the most importance by MSEs include financial, marketing, sector-specific technical and communication skills. The study was on the relationship between entrepreneurship training and MSEs successful performance while the current study is on influence of entrepreneurial intangible resources and growth of women-owned MSEs. The contextual gap is that the study is based in Tanzania.

Finally, Kyalo and Kiganane (2014) assessed the challenges facing women entrepreneurs in Africa. The variables studied were demographic in nature such as education, experience, networks, and access to entrepreneurial finance. The study employed exploratory and descriptive research designs. Data was collected through questionnaires. Sampling was done through stratified methods where 130 respondents from Kenya were selected. The study found that demographic factors and social networks were the challenges that women faced in entrepreneurship. However, access to entrepreneurial finance was not identified as a major challenge to women entrepreneurs. The study is concentrating on the demographic challenges facing women entrepreneurs in Africa while the current study was addressing growth of women-owned MSEs in Kenya.

### 2.3 Conceptual Framework

The conceptual framework expresses the relationship between entrepreneurship skills and growth of women-owned MSEs in Central Kenya Counties. The indicators of the two variables are also presented. The conceptual framework is presented in Figure 1



**Figure 1: Conceptual Framework**

### 3.0 RESEARCH METHODOLOGY

This study used descriptive survey design with the target population of 2472 women entrepreneurs registered and recipients of Uwezo Fund. Sample size was 333 respondents. Data was collected through questionnaires. In data analysis, descriptive and inferential statistical techniques were employed with the help of Statistical Package for Social Sciences. The data was analyzed using descriptive and inferential statistics.

### 4.0 RESULTS AND DISCUSSION

#### 4.1 Diagnostics

##### 4.1.1 Multicollinearity

Table 1 indicates the test results for multicollinearity, using both the VIF and tolerance.

**Table 1: Multicollinearity test for entrepreneurship skills**

Model	Collinearity Statistics	
	Tolerance	VIF
Entrepreneurial skills	0.835	1.198

a. Dependent variable: Growth of MSEs

As presented in Table 1, the VIF values were less than 5. This indicated there was no presence of multicollinearity in this study. The VIF shows how much the variance of the coefficient estimate is being inflated by multicollinearity.

##### 4.1.2 Heteroscedasticity test

Breusch-Pagan and Koenker was used to test the null hypothesis that the error variances are all equal versus the alternative that the error variances are a multiplicative function of one or more variables. Breusch-Pagan and Koenker test the null hypothesis that Heteroscedasticity not present if sig-value is less than 0.05 reject the null hypothesis. A large chi-square value greater than 9.22 would indicate the presence of Heteroscedasticity (Sazali, Hashida, Jegak & Raduan, 2009). Table 2 presents the heteroscedasticity test

**Table 2: Heteroscedasticity test for entrepreneurship skills**

Test	Test value	Sig
Breusch-Pagan	<b>6.745</b>	<b>.240</b>
Koenker test	9.796	.081

As indicated in Table 2, the chi-square value was 6.745 indicating that Heteroscedasticity was not a concern.

#### 4.1.3 Normality test using Kolmogorov-Smirnov and Shapiro-Wilk test

Normality was tested by use of Kolmogorov-Smirnov and Shapiro-Wilk test. The findings of normality test is depicted in Table 3

**Table 3: Normality test for entrepreneurship skills**

##### Tests of Normality

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Growth	.018	293	.200*	.997	293	.864
Entrepreneurial skills	.046	293	.200*	.994	293	.271

The tests results indicated that the p-value > 0.05 as shown in Table 3. The tests reject the hypothesis of normality when the p-value is less than or equal to 0.05 (Sharpiro & Wilk, 1965) illustrating that the standardized residuals was significantly normally distributed.

#### 4.2 Pearson's correlation analysis of entrepreneurship capital

The Pearson's correlation analysis of entrepreneurship capital is illustrated in Table 4

**Table 4: Correlation for entrepreneurship skills**

		Growth	Entrepreneurship skills
Growth	Pearson Correlation	1.000	.501**
	Sig. (2-tailed)		.000
	N	293	293
Entrepreneurship skills	Pearson Correlation	.501**	1.000
	Sig. (2-tailed)	.000	
	N	293	293

The findings in Table 4 showed there was a strong and positive correlation between entrepreneurship skills and growth of women-owned MSEs ( $r=0.501$ ,  $p\text{-value}=0.001$ ). Therefore, an increase in level of investing in entrepreneurship skills will lead to an increase in growth of women-owned MSEs. The findings concur with the results of Msoka (2013) who revealed that a positive and significant relationship exists between entrepreneurship skills and growth of women enterprises.

#### 4.3 Regression Analysis

The study conducted regression analysis to test the relationship between entrepreneurship skills and growth of women-owned MSEs. The section included the model summary, analysis of variance and the regression coefficients

#### 4.3.1 Model summary

The model summary for entrepreneurship skills is presented in Table 5

**Table 5: Model summary for entrepreneurship skills**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.501 <sup>a</sup>	.251	.248	.94417

From the findings in Table 5, it is notable that coefficient of determination (R squared) was 0.251. This is an indicator that 25.1% of growth of women-owned MSEs can be explained by entrepreneurship skills. The adjusted R-squared of 0.248 indicates that entrepreneurship skills in exclusion of the constant variable explained the growth of women-owned MSEs by 24.8%. Therefore, the remaining percentage is explained by other factors excluded in this variable. R of 0.501 indicates that a positive correlation exists between entrepreneurship skills and growth of women-owned MSEs. The standard error of estimate (0.94417) shows the average deviation of the independent variables from the line of best fit.

#### 4.3.2 ANOVA test

The results of ANOVA test for entrepreneurship skills is shown in Table 6

**Table 6: ANOVA test for entrepreneurship skills**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	86.726	1	86.726	97.286	.000 <sup>b</sup>
	Residual	259.413	291	.891		
	Total	346.139	292			

The results presented in Table 6 shows that entrepreneurship skills are statistically significant in explaining growth of women-owned MSEs in Central Kenya counties. The F-statistics of 97.286 shows that the model is significant since it was supported by a probability value of (0.000). The reported probability of 0.000 is less than the conventional probability of 0.005 hence the validity of the model.

#### 4.3.3 Regression coefficients

Regression coefficient test was conducted and the results are shown on Table 7.

**Table 7: Regression weights for entrepreneurship skills**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.116	.055		-2.109	.036
	Entrepreneurial skills	.463	.047	.501	9.863	.000



The model derived was;

$$\text{Financial performance} = -.116 + .463_{ab} + \xi$$

The study hypothesized that entrepreneurship skills has no significant influence on growth of women-owned MSEs. Findings indicated that there was a strong positive significant relationship between entrepreneurship skills and growth of women-owned MSEs ( $\beta=0.463$  and  $p$  value=0.000). This implied that a unit increase in use of entrepreneurship skills led to an increase in growth of women-owned MSEs by 46.3%. Since the  $p$ -value was 0.000 which was less than 0.005, the null hypothesis was rejected and the alternate hypothesis accepted. It was thus concluded that entrepreneurship skills have a significant relationship with growth of women-owned MSEs. The findings concur with earlier results from other researchers on the use of entrepreneurship skills. For instance, Ndirangu (2013) in a study on effects of entrepreneurial training on growth of SMEs in Kenya found that entrepreneurial skills are essential in improvement of decision making, communications skills and interpersonal skills which led to enterprise growth. The findings led to the rejection of the null hypothesis and acceptance of the alternative hypothesis. Therefore, entrepreneurship skills have a significant influence on growth of women-owned MSEs in Central Kenya counties.

## **5.0 CONCLUSIONS**

The study established that delegation skills, risk taking skills and communication skills were pertinent in explaining the growth of women-owned MSEs. From the findings, it can be concluded that entrepreneurship skills positively and significantly influence growth of women-owned MSEs in Central Kenya Counties. The study also concluded that women entrepreneurs failed to see the significant contribution of entrepreneurship skills in enhancing enterprise growth.

## **6.0 RECOMMENDATIONS**

The study recommended that women entrepreneurs should be bold in embracing entrepreneurship skills such as communication skills, risk taking skills and communication skills. This is due to the fact that it was established that most of the women entrepreneurs were over-cautious in venturing in new products and markets or even delegating to employees.

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