



INFLUENCE OF ENTREPRENEURIAL SKILLS ON THE GROWTH OF MICRO AND SMALL ENTERPRISES OWNED BY WOMEN IN MERU COUNTY, KENYA

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Abstract:

This study was aimed at establishing the influence of entrepreneurial skills on the growth of women owned micro and small enterprises in Meru town. The target population consisted of all women owned micro and small enterprises in Meru town. These enterprises can be classified into four types namely, trade, service, manufacturing and processing. This data was obtained from the business registration register. The study used descriptive statistics and used self-administered questionnaires to collect data. Data analysis was done using descriptive and inferential statistics using SPSS version 22. The study found that entrepreneurial skills such as marketing skills, financial management skills, human management skills, organizing skills among others had very strong influence on the growth of MSEs owned by women. The multiple regression analysis showed that entrepreneurial skills has a strength of 0.829 and a correlation of correlation of 0.696. The study recommended that all means to be used to ensure women entrepreneurs have the necessary enterprise running skills such as marketing skills, financial management organizing skills human resource management skills.

Keywords: influence, entrepreneurial, skills, micro and small enterprises, women

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1. Introduction

In the Kenyan context, a micro enterprise is a business employing between 1 – 10 employees, while Small enterprise employs 11-50 workers. (Steveson *et al*, 2005) and Kiruja (2013) noted that micro enterprises are particularly important to women in the sense that they provide opportunities for self-employment giving them chances not only to exploit their full potential but also to contribute immensely in the growth of the Kenyan economy. Davidson, Makin & Sandra (2000) record that in United Kingdom; micro and small enterprises are regarded as the major source of employment. However he further argues that (Eby, 2010) further states women owned MSEs face certain challenges such as limited entrepreneurial skills.

In the year 2010, 104 million in 59 countries representing slightly higher than 52% of the world's population were believed to have focused on self-employment through new business creation and development. In the United States of America entrepreneurial skills among women entrepreneurs are perceived to be critical factors contributing to the growth of such ventures owned by women (Mitchelmore S. & Roley J., 2013)

Kemkar M. & Sharma J., (2016), in their study in India found some of the critical factors for women entrepreneurs are self-fulfillment relevant knowledge, skills and also relevant experience. Their study further revealed that successful women entrepreneurs portray entrepreneurial skills which included self-initiative, aggressiveness opportunity seeking and exploitation of the same, persistence, being concerned for quality work among others. Mohamend K. Izwar H. & Shah M.(2017), in their study in Nigeria found that women entrepreneurs face similar challenges faced their counterparts in other parts of the world. They further argue that those limitations include lack of adequate entrepreneurial skills hindering them to offer competitive goods and services in the market. Previous studies shows that researchers have conducted more research on women entrepreneurs in other parts of the world like in United States of America, India, Malaysia, South Africa, Nigeria among many others but not so much of it has been done for Kenyan women entrepreneurs, and even more specifically women entrepreneurs in Meru county, although their contribution to the economy of the country is very significant.

2. Literature Review

Gibb (2015) records that entrepreneurial skills are the ability to perform some important tasks needed for the growth and performance of micro and small enterprises owned by

women. Edgar, Dirk & Danny (2005) state that such skills might predict business formation and success within and across cultures. Ronstad (2015) as quoted by Edgar *et al* (2005) suggest a set of fourteen skills which need to be developed through entrepreneurship education, some of them are creativity, ambiguity tolerance, opportunity identification and venture evaluation, career assessment, deal making, networking and ethical assessment. There are also other studies on entrepreneurial skills which have been categorized as crucial in starting and maintaining small and micro enterprises. For woman entrepreneur to succeed and grow her enterprise she must possess skills such as marketing skills, organizing skills, human resource management skills and financial skills among others.

Chandler & Jansen (2013), argue that one of the primary roles of business founders is related to scanning their environments, choosing potential opportunities and taking advantages of those opportunities by formulating required strategies in order to sustain performance and growth. According to a study by Woldeyohanes (2014) there is a positive relationship between entrepreneurial skills and the growth of micro and small enterprises. However, Rosnani, Babak, Soaib & Suaida (2011) found out that moderate entrepreneurial skills are inadequate among most women entrepreneurs to facilitate reasonable growth of their micro and small enterprise. They further presuppose that more training in areas such as creativity enhancement and innovation, creating promotions and advertising skills, pricing skills, good public relations, ability to keep simple business records and marketing skills are critical entrepreneurial skills towards the success and ultimate growth of micro and small enterprises owned by women.

Rosnani *et al* (2011) established that 50 per cent of women with some entrepreneurial skills are likely to grow their enterprises. Weighrich, Cannice & Koontz (2017) argue that organizing, being one of the key functions of management, and the entrepreneur being a manager, then his or her organizational ability is taken to be a key factor that influences the growth of an enterprise. In support of the foregoing, (Mbogo, 2011), stipulated that if an enterprise has to survive the competitive environment, then its finances must be very well managed.

3. Research Methodology

A descriptive survey approach was adopted to obtain information concerning the growth of MSEs owned by women. The purpose of descriptive survey was basically to observe, describe and document aspects of micro and small enterprises the way they are. The study used Stratified random sampling to get the required sample from each

stratum and then random sampling method was used to get specific respondents from each stratum for the study. Mugenda *et al* (2009), noted that one must give a number to every subject or member of the population, then put in a container, mix all them properly after which the researcher picked the required number of respondents at random. A sample of 89 respondents was chosen from a total target population of 885 micro and small enterprises operating in Meru Town, as shown in the table below.

3.1 Sample size

Type	Sample	Percentage
Trade/groceries, boutique, etc.	39	44%
Service (salon, hotels etc.)	29	33%
Production	10	11%
Processing	11	12%
Total	89	100%

Self-administered closed-ended questionnaires were used to collect data from the target respondents and a multiple regression Model was developed using the Beta coefficients in order to illustrate the explanatory power of entrepreneurial skills on the growth of women owned micro and small enterprises.

After all data was collected, cleaning and editing of quantitative data was done, coded and fed into the computer programme for analysis using various inferential statistics which include analysis of variance and linear regression.

The collected data was processed data and analyzed using inferential statistics which include multiple regression correlation regression. A Statistical Package for Social Sciences (SPSS) computer programme version 22 was used to aid analysis. This is according to Martin & Acuna (2002) who notes that SPSS is very appropriate to handle large amounts of data. The programme can also save time and quite efficient. Finally the findings were presented using frequency tables.

4. Results and Discussions

A total of 89 were distributed of which only 80 questionnaires were returned which accounted to 90% response rate.

4.1 Financial management skills and its influence on the Growth of MSE's owned by women

Responses	Frequency	Percent	Cumulative Percent
Strongly Disagree	11	13.8	13.8
Disagree	10	12.5	26.3
Neutral	11	13.8	40.0
Agree	28	35.0	75.0
Strongly Agree	20	25.0	100.0
Total	80	100.0	

The findings indicate that 60% of the respondents consented gave a node that good financial management skills have a direct and strong relationship with the growth of MSEs owned by women. Therefore, this concurred with Woldeyohanes (2014), who argued that there is a positive relationship between entrepreneurial skills such as financial management and the growth of women owned MSE's.

4.2 Human resource management skills and its influence on the Growth of SME's owned by women

Responses	Frequency	Percent	Cumulative Percent
Strongly	8	10.0	10.0
Disagree	16	20.0	30.0
Neutral	9	11.3	41.3
Agree	23	28.8	70.0
Strongly Agree	24	30.0	100.0
Total	80	100.0	

The above table indicates that 58% of the total respondents agreed that when women are able to efficiently manage their human resource, their MSEs are likely register significant growth. This finding concurred with those of Rosan *et al* (2010) who found that 50% of the women with some entrepreneurial skills were likely to grow their micro and small enterprises.

4.3 Response on Organizing skills and Growth of MSE's

Responses	Frequency	Percent	Cumulative Percent
Disagree	18	22.5	22.5
Neutral	5	6.3	28.8
Agree	36	45.0	73.8
Strongly Agree	21	26.3	100.0
Total	80	100.0	

The findings on whether organizing skills affect the growth of MSEs revealed that 71.3 % of the number of those interviewed believed that organizational skills of a woman entrepreneur can positively influence the growth of their MSEs. This concurred with Prahalad & Hamel (2013) who had argued that the organizational role of an entrepreneur is a key factor towards the growth of any enterprise.

4.4 Marketing skills and its influence on the Growth of MSE's owned by women

Responses	Frequency	Percent	Cumulative Percent
Strongly Disagree	3	3.8	3.8
Disagree	22	27.5	31.3
Neutral	7	8.8	40.0
Agree	10	12.5	52.5
Strongly Agree	38	47.5	100.0
Total	80	100.0	

60 % of the total respondents consented that marketing skills have big contribution to the growth of MSEs owned by women in Meru Town. While noting that only 31.3% did not consent on with the statement, then it can be deduced that marketing is important skills which need to be cultivated among women entrepreneurs.

4.5 Regression Coefficient of entrepreneurial skills on Growth of Women Owned Micro and Small Enterprises

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	0.562	0.026		21.700	0.00
Entrepreneurial skills	0.108	0.018	0.829	5.919	0.000

The study findings showed a positive significant relationship between entrepreneurial skills and Growth of women owned micro and small enterprises with a $\beta=0.829$, $t=5.919$ and a p -value <0.05). This implies that an increase in Growth of women owned micro and small enterprises in Meru County is associated with increased entrepreneurial skills.

5. Test of Hypothesis

The study hypothesized that there is no significant relationship between entrepreneurial skills and growth of women owned micro and small enterprises. The study findings showed a positive significant relationship between entrepreneurial skills and Growth of women owned micro and small enterprises with a $\beta=0.829$, $t=5.919$ and a p -value <0.05), and therefore the null hypothesis was rejected. This strong positive relationship between Entrepreneurial Skills and Growth of women owned micro and small enterprises in Meru Town indicated a correlation of 0.696, which implied that an increase in Growth of women owned micro and small enterprises in Meru County is associated with increased entrepreneurial skills.

The study reveals that financial management skills and human resources management skills have direct influence with the growth of MSEs owned by women in Meru County. These findings concurred with those of Rosan (2010) who had found that women with some key entrepreneurial skills were likely to grow their MSEs as compared to their women counterparts who lacked the said skills. The other skills found to be of great importance, were marketing skills and organizing skills. However on attitude some respondents, about 56% did not think that the virtue could contribute to the growth of MSEs owned by women, a finding which sharply differed with (Mullins, 2013), who records in his book on organizational behavior that positive attitude may increase chances of success and ultimate growth of small business. The regression analysis indicates that entrepreneurial skills had a significance of 0.002. This was the highest correlation of all the four variables under study.

6. Conclusion

From the study findings, it was concluded that entrepreneurial skills have very strong relationship with the growth of women owned micro and small enterprises. This is because it had the highest correlation coefficient of all the variables under study. Therefore, something must be done to ensure women entrepreneurs acquire the necessary skills which are critical for growth of their enterprises.

7. Recommendations

Based on the findings and conclusions of this study, it is recommended that there is need for training agencies to identify skills gaps then develop programs to impart critical skills which would increase women capacity to run their MSE's. In order to

increase the capacity of women entrepreneurs, more emphasis should be placed on developing marketing skills, financial management skills and organizing skills among others.

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