



LAHDEN AMMATTIKORKEAKOULU
Lahti University of Applied Sciences

FEMALE ENTREPRISE DEVELOPMENT:

A Case study of graduate women in Nairobi.

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Mercy Ngare

Lahti University of Applied Sciences
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ABSTRACT

In recent years the subject of female entrepreneurship has attracted a lot of attention. The contributions made by female entrepreneurs to economies in terms of creation of new businesses and jobs; consequently spurring economic growth and reduction of levels poverty and unemployment have been recognized as invaluable.

Launched in 2008, Vision 2030 is Kenya's development scheme aimed at changing the status of Kenya from a developing into a developed middle class country by the year 2030. The vision includes delivering an ambitious economic growth of 10 percent per annum, coupled with correcting the existing social and economic inequalities. Therefore, it is essential that the Kenyan government positions entrepreneurship and in this context female entrepreneurship at the center of its economic development agenda. Female entrepreneurs can make a significant contribution to the economic development in Kenya.

The primary objective of this study was to identify the obstacles women face at the start-up and development phases of their businesses with an aim to produce appropriate development services. A survey that included 120 graduate women in Nairobi was conducted.

The findings indicated that the obstacles encountered at the start-up and development stages of female owned enterprises are; access to finance, finding the right contacts and business networks, lack of entrepreneurship education, lack of management skills, lack of advice on how to start an enterprise, lack of mentoring and lack of business strategic planning.

This study proposes pragmatic and comprehensive recommendations to policy makers and other relevant stakeholders to address these obstacles. Better policies and initiatives need to be developed to create a more favorable business environment, in order to gain the full potential of women entrepreneurs in Kenya and as a consequently contribute to the economic prosperity of Kenya.

Key words: Female entrepreneurship, entrepreneurship, challenges, Nairobi County, graduate women, Vision 2030, Kenya.

CONTENTS

ABBREVIATIONS	IV
1 INTRODUCTION	1
1.1 Background to female entrepreneurship	2
1.2 Why study Female entrepreneurship	5
1.3 Research objectives and research questions	6
1.4 The Theoretical Framework	7
1.5 Research design and method	9
1.6 Structure of the research report	10
1.7 Terms and Definitions	12
2 FEMALE ENTREPRENEURSHIP	13
2.1 The Entrepreneur and the Entrepreneurial process	13
2.2 Female entrepreneurship	17
2.3 Profile of female entrepreneur	18
2.4 Challenges of a Female Entrepreneur	20
2.5 Integrated framework for Women Entrepreneurs	27
2.6 Promotion of female entrepreneurship in Finland	28
2.7 Conclusion	33
3 CASE KENYA	34
3.1 Introduction to Kenya	35
3.2 PEST analysis	36
3.3 Education system	43
3.4 Financial System	45
3.5 Female Entrepreneurship in Kenya	47
4 METHODOLOGY	51
4.1 Research Objectives and Questions of the study	51
4.2 Research design	52
4.3 Population and sample of the study	53
4.4 Research method	54
4.5 The data collection procedure	58
4.6 Data analysis	58
4.7 Response to the survey	59
4.8 Conclusion	59

5	RESULTS & FINDINGS	60
5.1	Profiles of the respondents	61
5.2	Attitudes towards entrepreneurship	64
5.3	Motivation for establishing an enterprise	66
5.4	Obstacles	68
5.5	Availability of resources	69
5.6	Opinions	71
5.7	Summary of key findings	74
6	CONCLUSION	76
6.1	Revisiting objectives of the study	76
6.2	Recommendations	77
6.3	Limitations of the study	81
6.4	Research implications	82
6.5	Recommendations for further studies	83
7	SUMMARY	85
8	REFERENCES	86

ABBREVIATIONS

CWES	Constituency Women Enterprise Scheme
BDS	Business Development Services
BPO	Business Processing Outsourcing
BPW	Business Professional Women
DMSED	Department of Micro- and Small-Enterprise Development
GDP	Gross Domestic Product
EU	European Union
GoK	Government of Kenya
KIHBS	Kenya Household Integrated Budget Survey
KRA	Kenya Revenue Authority
Ksh	Kenya Shilling
OECD	Organization for Economic Organization and Development
ILO	International Labour Organization
UN	United Nations
UNIDO	United Nations Industrial Development Organization
SACCO	Savings and Credit Co-operatives

1 INTRODUCTION

An economy cannot, without active steps being taken, maintain its size or grow. In order to create economic growth, extra steps are necessary and the creation and growth of firms are a very important part of this process.

One of the economic goals of a government is to improve the lives of its citizens by raising the competitiveness of the economy and creating opportunities that empower people to earn a sustainable income. In this line of thought, The Government of Kenya has developed a development blueprint called The Vision 2030. The goal of the Vision is to transform Kenya from a developing country into middle income and industrialized nation, through provision of quality life to all the Kenyans by 2030". The Vision is based on three pillars namely: the social, economic, and the political pillar (The Ministry of planning, 2008).

One of the goals of the economic pillar is to improve the prosperity of all Kenyans through an economic program that covers all the counties of Kenya. The Vision also aims to achieve an average Gross Domestic Product (GDP) growth rate of 10% per annum beginning in 2012 for a consecutive period of 25 years (Ministry of planning, 2008).

Entrepreneurship is considered by many researchers and economists as a major contributing factor to the growth of an economy. The small, medium and large businesses play a significant role in terms of job creation, market competitiveness, innovation and the promotion of industrial development has been recognised by both academics and policy makers (Beck et al 2005, Thurik and Wennekers 1999, Ayyagari et al 2003 and World Bank 2003). In pursuit of this mission of delivering the ambitious economic growth of 10 percent per Annum, coupled with correcting the existing social and economic inequalities, it is essential that the Kenyan government places entrepreneurship at the center of its economic development agenda. OECD (2012) acknowledges that, fostering entrepreneurship is a key policy goal for governments in most countries. There are high expectations that high rates of entrepreneurial activity are avenues of sustained employment generation.

In the spirit of entrepreneurship, it is essential to acknowledge that women also are significant drivers of economic growth. In the latter part of the 20th century, women's entry into the workforce has helped drive most of the world's developed economies. Today, women in the developing economies are poised to have a similar impact upon their economies, but this can only happen, if they can be educated, equipped and empowered (Women's Economic Opportunity 2012). Kenya is a developing country that can and should exploit the untapped resources of women through among other routes, entrepreneurship.

Women entrepreneurs can make significant contributions to the economic development in Kenya. In acknowledging the importance of women entrepreneurs in the creation of a vibrant and dynamic economy, the Kenyan Government has taken some positive steps in promoting women entrepreneurship towards realizing Kenya's Vision 2030. The government of Kenya has developed a range of measures to try to tackle vulnerable groups that include the women and unemployed youth among others in Kenya. Under the Vision 2030, funds allocated with more efficiency and transparency, are anticipated to play a key and enhanced role in correcting the existing economic and social inequalities in the vulnerable groups.

1.1 Background to female entrepreneurship

The theory linking entrepreneurship to economic growth derives from simple logic and economics, in the sense that, activities that translate ideas into commercial opportunities can be found at the very heart of entrepreneurship.

In both developed and developing economies, entrepreneurship is considered crucial to fostering economic and social development. Entrepreneurship contributes significantly to the growth of an economy (Wennekers et al 1999:27).

The role of female entrepreneurs in the economic development process has been recognized globally. Today, in the world of business, female entrepreneurship has become a necessary force in many countries. The OECD (2004) revealed that,

regardless of which economy is researched, women account for ownership of at least 15 percent and more than 35 percent of businesses.

Further, the Director of RNFBO (Research National Foundation for Business), (Julie Weeks, 2000: 14) observed that:

“Entrepreneurship offers tremendous opportunities for women across the world by opening doors to greater self-sufficiency, self-esteem, education, and growth – not only for the women themselves but also for their families and their employees. And women are changing the face of business ownership internationally; between one-quarter and one-third of the world’s businesses are owned by women. As their numbers grow, and as their businesses prosper, they will change the way the world does business”.

It is also observed that in economies where female entrepreneurship is limited, economic growth has been stagnant whilst in economies where female entrepreneurship has been advanced; the economy has been steady Jalbert (2002: 45).

Entrepreneurial activities empower women economically and facilitate their contribution to the overall development of a country. Whether the women participate in the informal or formal sectors; or in small, medium or large commercial activities, these commercial activities are not only a means of making a living but are also of positive social ramifications for the women and their families and their social surroundings as well (UNIDO 2001).

In spite of various reports and evidence establishing the contribution made by the economic activities of women, the recognition of these contributions has been slow. However, that appears to be changing as women entrepreneurs as an unexploited source of economic growth is now being accepted (GEM 2001; Kauffman Centre 2001; World Bank; 2001 and OECD; 2004). Nonetheless, the numbers of women entrepreneurs is still below that of the male entrepreneurs. Reynolds supports this fact and notes that “the likelihood of men being involved in entrepreneurial activity is double that of women”. (2002:5)

Similar situation can be found in Kenya. The government acknowledges that women entrepreneurs are lagging behind their male counterparts when it comes to their access to opportunities and asset ownership. However, the government is yet to address these barriers. Given the right kind of support and a favorable environment, women owned businesses could contribute much more than what they are contributing today towards the economic prosperity of Kenya.

Women in Kenya are involved in various social, economic, cultural and political roles within the society. From a traditional perspective, there is a general expectation that the women in Kenya should operate domestically, mainly within the household setting. Basically be a mother and looking after the children, wife, perform domestic chores and manage the household.

However, in contemporary Kenya, the dynamics and the role of women are slowly changing. Improvement in access to education by women, employment opportunities for women in the formal sector, greater concentration of women in urban areas and the establishment of women owned business ventures have led to a change in the socio-economic position of women in Kenya. Education has generally broadened the perspectives of women. Educated women in Kenya are now seeking careers in politics, business, academics and many other fields.

In developing economies, very little information can be found concerning the trend of female entrepreneurship. The Department of Micro- and Small-Enterprise Development (DMSSED) in Kenya reported that, in the year 2002 there were about 2.8 million enterprises reported that employed 5.1 million people. Out of these businesses, an approximated 70 percent of these businesses were women owned (Stevenson and St-Onge, 2005: 4). This clearly demonstrates that women entrepreneurs can have a significant input to the economy by creating new employment through firm growth. The OECD (2004) supports this by acknowledging that boosting support for female entrepreneurship pays off in growth and job creation.

1.2 Why study Female entrepreneurship

Contributions made by women to the economic development have been widely recognized. In developed countries, research on female entrepreneurship has highlighted the rise of established small, medium and large sized firms. These research studies demonstrate how in OECD and in other developed economies, women entrepreneurs are making a significant contribution to their economies.

Women in Kenya are not equitably represented in the economy either as employees or as business owners. The latest statistics of wage employment by industry sector and sex 2009-2011, indicate that out of total employment, men account for 70 percent of employment, while women account for only 30 percent.

Very little or perhaps nothing is known of graduate women entrepreneurship in developing economies, in this case Kenya. The entrepreneurial aspirations of the growing group of the urban based and educated women in developing economies have gone unrecognized in the female entrepreneurship literature. In developing countries, the research on women entrepreneurs is essential in the understanding of female entrepreneurship.

Having acknowledged the importance of that kind of research, it is necessary to conduct such kind of research in an economic and social context in Kenya in order to identify the contributions these women make to the economy as well as understanding their needs and issues that are related to the development and promotion of their entrepreneurial endeavors.

In addition, most of the research that has been done on women entrepreneurs in developing economies has mainly focused on the very poor and uneducated segments of women in the rural areas and urban informal sectors. Therefore, there is a need to conduct a study into the educated segment entrepreneurs in Kenya. The study will ultimately make a contribution to the knowledge about educated women entrepreneurship in Kenya.

1.3 Research objectives and research questions

The aim of the research is to conduct a case study of graduate women in Nairobi County to identify the obstacles they face during the start-up and growth stages of their businesses with a view to produce appropriate development services. The objectives of the research are as follows:

- a) Establish entrepreneurial aspirations of urban and educated based women in the Nairobi County
- b) Analyse nature of the business infrastructure in place aimed at supporting female entrepreneurs.
- c) Gather the perspectives of the graduate women in the Nairobi County in terms of development needs.
- d) Understand graduate women's entrepreneurship in Kenya and contribute to the knowledge about them.
- e) Finally, in the conclusion chapter, the study will present a summary of the findings from the study and propose a path for future research and interventions aimed at developing graduate women entrepreneurship in Nairobi.

To achieve the above objectives, the study constructed the following research questions:

- a) Who are they? Age, Education background and family background
- b) What are the reasons and attitudes for engaging in entrepreneurship?
- c) What is the nature of problems faced before, during and after the establishment of their businesses?
- d) What kinds of resources in terms of Financing, networking and training needs are available for prospective and current female entrepreneurs within the Nairobi County?
- e) From the women perspectives, what kind of resources do they deem necessary to reduce the problems they face during their entrepreneurial endeavors?

1.4 The Theoretical Framework

In its essence, this study is about Female Entrepreneurship in Kenya. The primary objective of this research is to identify the obstacles that Kenyan Female entrepreneurs face in the entrepreneurial process and as a result to determine the kind of support services needed in female enterprise development. Therefore, Female Entrepreneurship theory shall be the framework of the thesis. From the Female entrepreneurship theory, the study will try to understand the obstacles that women generally go through during their entrepreneurship.

Since Female Entrepreneurship falls under entrepreneurship studies, it is therefore quite logical, that entrepreneurship would be also an appropriate discipline for which this study was centered.

A consistent universal theory on entrepreneurship is non-existent.

Entrepreneurship is a multifaceted phenomenon (Landström, 2005 as cited in Bjerke, 2007: 73). It is seen as a complex of closely related concepts such as change management, innovation, product development, meaningfulness, environmental turbulence, and individualism (Bjerke, 2007: 73-74).

Entrepreneurship is related to several fields such as psychology, economics, management, sociology and others. Therefore it can be studied from many different standpoints. Each discipline approaches the subject with its own concepts and notions.

One of the objectives of the study is to explore the resources are available for prospective and current female entrepreneurs within Nairobi County. The entrepreneurial process path that begins from the idea conception, opportunity evaluation, planning, company formation and launch to the growth of an enterprise , is proved to be dependent on different factors such as financing, business planning, human resources, networks among others for overall success. The theoretical framework will also consist of the support services offered to women in the entrepreneurial process.

This study is also interested in demonstrating the significance of entrepreneurship to the economy and how the successes of the entrepreneurs as can have positive impact on the economy, hence literature on the economic importance of entrepreneurship is pertinent. Entrepreneurship and economics appear to share some similarities. The two disciplines to have a lot of similarities in common, such as individual economic empowerment, profitability, the creation of wealth and distribution, job creation and national economic growth just to name a few. Therefore, it is my view that entrepreneurship and the relevant economic views should be briefly mentioned in the study.

Designing a conceptual framework was important as it would help to identify areas of relevance to the study. Beginning with the research questions, which are fundamental to the research problem, it is possible to identify other topics in the literature that are significant to the present research. Therefore, a review of these topics is essential to meet the research objectives and answer the research questions.

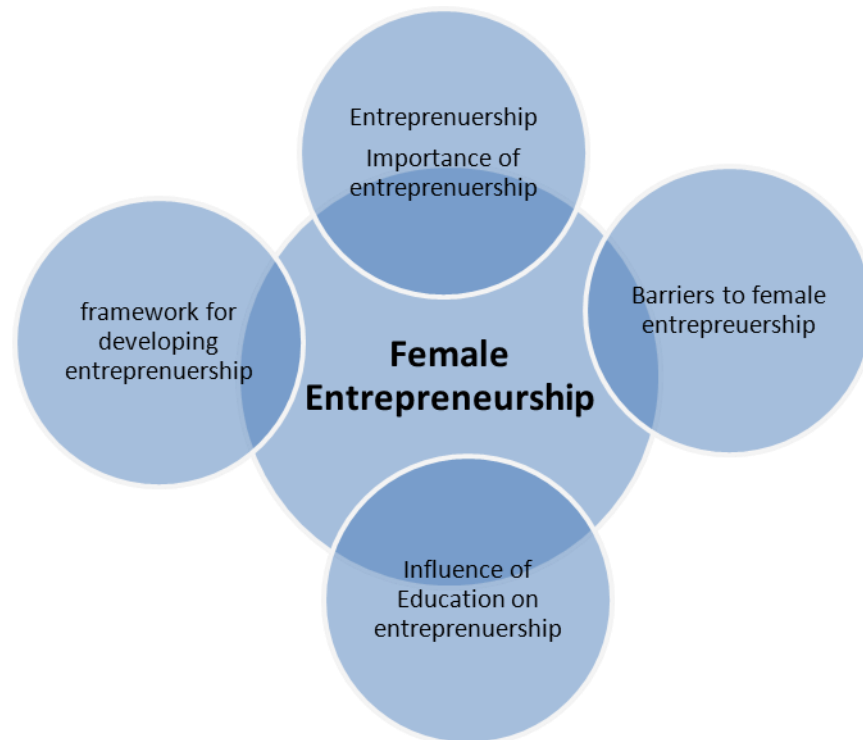


Figure 1: Conceptual framework.

1.5 Research design and method

The research method applied in this study is the qualitative method. The rationale behind it is that, research on this subject mandates the use of qualitative methods and conduction of depth research (Stevenson 1990: 443). This is acknowledged by some researchers in the field of development of female entrepreneurship knowledge and theory. Stevenson also notes that “The best way to discover relationships in the world of women entrepreneurs is to interview the women and let them explain the relationships” (Stevenson 1990: 443), hence the logic to adopt the use of quantitative research method in this study.

The target population of this study is graduate women in Kenya, and in specific those located within the County of Nairobi. These women could be unemployed or employed and interested in engaging in entrepreneurship or they could already be engaged in some form of entrepreneurial activity. A convenient snowball sampling technique will be used to identify possible participants in this study.

To generate a preliminary list of these women, the researcher will use social media to identify alumni associations. These women will then act as informants and identify other potential women for inclusion in the sample. In addition to the Facebook users, the researcher contacted three business schools to acquire the contacts of the graduate students. To match the objectives of the study, the study will develop a set of criteria to select the participants in the survey.

A survey will be the primary data collection method. A structured standard questionnaire will then be developed by the researcher then used to gather data for this study from the selected respondents. The design of questions for the questionnaires will be based on the insights from the theoretical framework underlying the research.

Data will then be gathered of the participating women regarding the age, level of education, occupation, reasons for engaging in entrepreneurship, the obstacles that they are currently experiencing in their entrepreneurial endeavors be it start up or expansion, availability of support infrastructure and support and development needs and lastly their opinions.

1.6 Structure of the research report

The content of this thesis is divided into eight chapters.

Chapter one being the introductory chapter, provides the general overview and purpose of the study. The chapter also gives a description of the thesis background, objectives, and research questions. The research methodology is also presented in the chapter.

Chapter two contains the theoretical framework on female entrepreneurship. Theoretical framework is necessary as it helps in the identification of the key academic theories within the study. Theoretical framework also enables the researcher to exhibit acquired knowledge in the chosen topic of research. The chapter begins with an introductory note on entrepreneurship and the substantial role in it contributes to the economy. Related literature and past research are presented to provide an understanding and importance of female entrepreneurship, a profile of the female entrepreneur as presented in the literature is also presented as well as the challenges faced by female entrepreneurs. In addition, an integrated framework for the development of female entrepreneurship is presented. Finally, the researcher explores Finland to learn how the country supports Female entrepreneurship.

Chapter 3 presents the case study of Kenya. The chapter introduces the Kenyan case with a brief introduction of the country and the state of the economy. A PEST analysis is also presented in the chapter. The financial system as well as the education system in the Country are also reviewed. The aim is to develop a comprehensive understanding of the entrepreneurial environment in which these women operate in. In this chapter, a profile of the female entrepreneurs in Kenya is presented. In addition, an overview of existing business services aimed at supporting these female entrepreneurs.

Chapter 4 discusses the research design and methodology, the population, sample group and the data collection and analysis tools. The objectives of the study support for a qualitative method of data collection and study.

Chapter 5 presents and discusses the results from the quantitative study. The findings from the study area across key the dimensions namely; profiles of the respondents, attitudes towards entrepreneurship, motivation for establishing an enterprise, obstacles, availability of resources and opinions. The chapter concludes with a summary.

Chapter 6 provides a conclusion on the finding of the study. The chapter revisits the objectives of the study. The thesis concludes in this chapter with the summary of the major findings, suggestions on areas of improvement and recommendations and further research. The chapter concludes with a summary.

Chapter 7 is the summary chapter. The chapter summarises the whole study.

Chapter 8 is the final chapter and it contains the list of references both electronic and written that were used in this study.

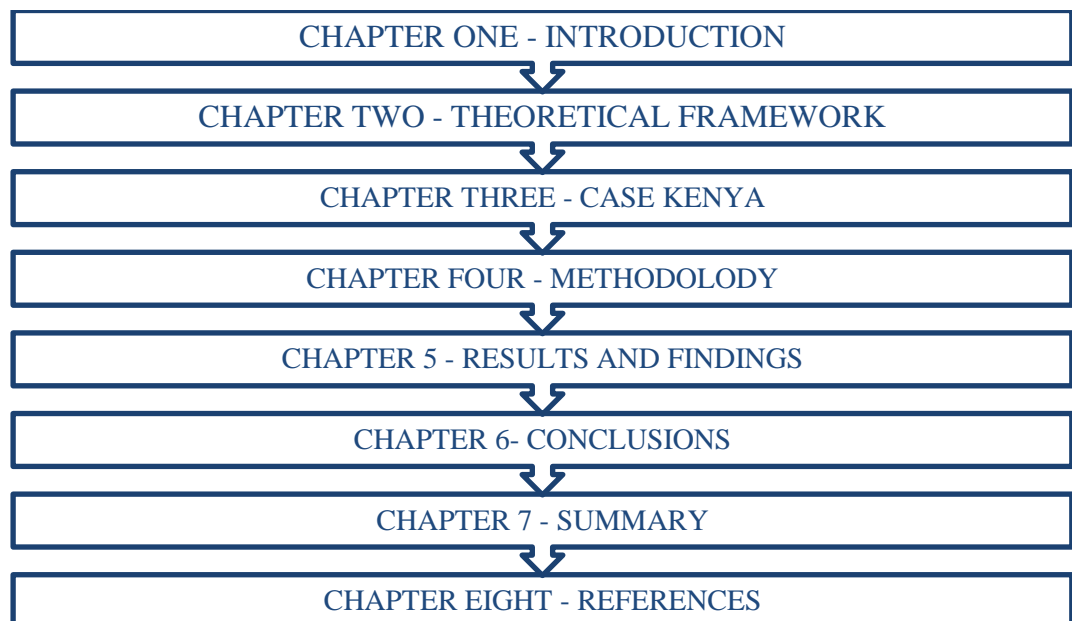


Figure 1.1. The structure of thesis

1.7 Terms and Definitions

For the purpose of this study, it is important to understand the following terms as used in the context of the study because they are used repeatedly in the study.

Entrepreneur: At present, a universally accepted definition of an entrepreneur is non-existent. Nevertheless, for this study, the following definition of an entrepreneur was adopted. Bygrave (1997:5) defines an entrepreneur as “an individual who recognises an opportunity and creates a new business venture to pursue it”.

Entrepreneurship is defined as “the process of launching a new business venture to pursue a perceived opportunity” (Bygrave, 1997, p. 6).

Educational level in this study is a representation of the years of higher education a person obtained after secondary school at the time the data was gathered (Robinson & Sexton, 1994, p. 146)

Middle Income Country: World Bank classifies a middle income country as an economy that the (GNI) gross national income falls under \$4,086 - \$12,615 per capita.

Assumptions

The study was guided by the following assumptions:

- 1) The Small and medium size businesses are vital to the economy.
- 2) Higher education is invaluable to the success of businesses.
- 3) Educated female entrepreneurs can contribute significantly to the economy of Kenya.
- 4) Reduction of obstacles of women entrepreneurs in Kenya can increase the number of women entrepreneurs.
- 5) The study acknowledges that a combination of macro and micro factors influence start-ups and growth of firms.

2 FEMALE ENTREPRENEURSHIP

This chapter presents the theoretical framework on entrepreneurship. In specific, the chapter opens up with the definition of an entrepreneur, followed by an overview of the economic benefits of entrepreneurship. The literature review will also look at the entrepreneurial process to better understand what kind of problems and resources that are needed. The main focus is on the literature on female entrepreneurship is presented in this chapter as well.

To get an understanding on development and supporting of female entrepreneurship, a review of the best practices in developing countries in this case Finland will be discussed also in this chapter with the aim of identifying gaps within the promotion of female entrepreneurship between a developing and developed countries, as well as the application of these practices in a developing country context.

2.1 The Entrepreneur and the Entrepreneurial process

In order to provide a conceptual framework for something, a researcher must first define it and create some boundaries to it (Shane, 2003:29). Therefore, for one to comprehend the concept of entrepreneurship, one needs to be familiar with who an entrepreneur is, what entrepreneurship means as well as the entrepreneurial process. The understanding of these concepts is critical for this study on female entrepreneurship as they provide valuable insights into the entrepreneurial phenomenon.

The Cambridge English dictionary defines an entrepreneur as; an individual who perceives an opportunity and sets up a business or businesses, assuming the financial risks in the hope of making profit.

Richard Cantillon is accredited to being the first one to define an entrepreneur in 1730. Cantillon portrays an entrepreneur as a self-employed individual who assumes the risk for the firm. J.V. regarded the entrepreneur as the one who combined the factors of production in such a way that wealth was created. Joseph Schumpeter (1934:66) saw the entrepreneur as an innovator. Israel Kirzner saw

the entrepreneur as an opportunist, that is, as the individual who perceives an opportunity and acts upon that reception (Kirzner, 1973:35)

The entrepreneur is an individual who creates a new business in the presence of risks and uncertainties for the sole purpose of making profit and achieving growth by identifying opportunities and combining the necessary resources to capitalize on them'. (Zimmerer and Scarborough, 2002:4).

Bygrave (1997:5) defines an entrepreneur as an individual who recognizes an opportunity and creates a new business venture to exploit the opportunity.

From all these definitions; there are noticeably some several underlying characteristics such as initiative taking, organization and management of resources, value creation and assumption of risk and uncertainties that can be identified as primary aspects of entrepreneurs. Evidently, entrepreneurs are self-sufficient individuals with a desire to establish their own business (Johannisson, 1990). They have their own ways of tackling with opportunities, obstacles and uncertainties, new ways of customers satisfaction and ways doing business in the creation of fresh products, services, or organizations (Birley and Muzyka 2000: 23). Entrepreneurs add value (Birley and Muzyka 2000; 56, Buame 2000).

In most research, entrepreneurship is acknowledged as a dynamic process of incremental wealth creation by persons who face equity, time and commitment risks and uncertainties in order to deliver products or services. The product or service in question may or may not necessarily be new or unique, but value must somehow be added by the entrepreneur using the appropriate resources and skills.

Entrepreneurship is defined as the process that involves the recognition, evaluation, and exploitation of opportunities in order to introduce new goods or services, ways of organizing, markets, processes, and raw materials through organizing efforts that previously had not existed (Shane and Venkataraman, 2000:220).

Another definition of entrepreneurship is: the process by which new product or service with value is created using time and effort and assuming financial risks, that results to monetary rewards, personal gratification and independence, (Hisrich 2005:141)

Also entrepreneurship is “the willingness and ability of individuals in perceiving and creation of new economic opportunities (this could be new products or services, new production methods, new organizational methods, and new product market combinations) and the introduction of these new ideas to the market, which is full of uncertainties and other obstacles” Wennekers and Thurik (1999, 46–47).

There is more to entrepreneurship than economics (Pirich 2001: 14–15). From the above definitions of entrepreneurship, one can discern the many activities such as risk management, sales management, innovation, value adding, organization management etc. and the different roles of an entrepreneur assumes. Jääskeläinen 2000: 5, Frijs et al. 2002: 1–2 observe the different operational roles of entrepreneurs such as; decision making , management, risk bearing, innovation, capital acquisition, ownership and management of resources

The important roles that entrepreneurship plays such as the stimulation of economic activity, job creation, poverty alleviation and uplifting of living standards, have been recognized not only internationally, but also in Africa (Van Vuuren & Groenewald, 2007:269).

Most economic studies acknowledge that, contributions made by entrepreneurship to the development of an economy are significant (Ahl 2006: 600; Wennekers and Thurik 1999:55). For example, Cantillon described entrepreneurship as a “special economic function” (1755:47). Macmillan (1988) observed that entrepreneurship is a “necessary force of economic growth” and that it generates hundreds and thousands of new jobs.

Venkataram (1997: 133) indicated that the association between the individual entrepreneur’s behavior of seeking profits and the generation of wealth is the essence of entrepreneurship.

In summary, roles of entrepreneurship in an economy are as follows (Ushindo, 1995; Coutler, 2001; SMEs in Europe..., 2002). Entrepreneurship:

- a) Brings change by creating innovations.
- b) Liberates the creativity in individuals.
- c) Contributes to job creation and economic growth
- d) Is a fundamental need for competitiveness
- e) Increases the varieties of goods and services available to consumers
- f) Contributes significantly in the promotion of social and economic solidarity in a region.

The process of starting a new business venture lies at the very heart of the entrepreneurial process. Entrepreneurs are the dominant characters of the entrepreneurial process. Most entrepreneurial studies have described the entrepreneurial process as consisting of all the functions, activities, and actions associated with entrepreneurs perceiving opportunities and the creation of ventures to pursue these opportunities (Bygrave, 1989:15,; Bygrave and Hofer 1991:17). Kirzner (1973: 45) perceived the entrepreneurial process as a competitive process.

From the theoretical review above, one can deduce that entrepreneurship is a robust process of incremental wealth generation. Entrepreneurs need to recognize an opportunity that they can exploit, are faced with risks, have to gather and allocate required resources, and must provide value for some product or service.

From this perspective, how do women contribute to this phenomenon? Research studies illuminate that women are involved mainly in small and medium enterprises. Additionally, recent statistics also indicate that women are important drivers of growth in many of the world's economies (Minniti, Arenius and Langowitz 2005: 52). However, not until recently does research reflect this. Research in entrepreneurship can be regarded as gender biased as research gives little attention to the different needs of women entrepreneurs (Brush 1992:19, Brush and Hisrich 1999:120, OECD 2004).

Literature suggests that entrepreneurship of women is different from that of men. This is perhaps due to differences in levels of business education, work experience, motivations for business among other factors. Literature also suggests that there may be different factors in explaining men and women differences in prevalence of entrepreneurship rates. These differences are recognised by Delmar et al (2000:185) and Shane et al (2000:151). These authors further noted that the factors explaining the entrepreneurship rates of men are of minimal value in explaining the entrepreneurship rates of women.

In several entrepreneurship studies, it has been established that women have; limited access to resources, have less educational knowledge, and a lower position than men in the society (OECD 2004). These are characteristics of women's entrepreneurship and contribute to the diversity of entrepreneurship (OECD 2004; Verheul and Thurik 2000:340)

In the light of the above, there is a need for research to identify the factors that influence women entrepreneurship while taking into consideration their unique characteristics and circumstances.

2.2 Female entrepreneurship

Research on female entrepreneurship has received substantially less attention compared to research concerning entrepreneurship in general. The OECD (2004) observed that research on the subject of women's entrepreneurship has not been as a consequence for lack of understanding or because it theoretically an interesting phenomenon from the research community. Rather, research that has been undertaken on women entrepreneurship comes from different bodies such as the EU, ILO, UNIDO, the OECD and different national governmental agencies. This is because these organisations needed better information on these women with the aim of supporting them.

It would be futile to dispute the fact that women are the largest growing market in the world. Between the years of 2002 and 2007, global incomes of women increased from \$4 trillion to \$9.8 trillion. By the year 2017, it is approximated that women's income will increase to \$15.6 trillion. That increase of about US\$6 trillion is almost double the growth in GDP projected from just China and India. By 2028, 75% of discretionary spending worldwide will be controlled by women (Boston Consulting Group 2009).

One cannot argue the economic impact women are currently having and are poised to have on the global economy. As noted by Weeks (2012), that women owned businesses can make a significant contribution to the growth of the economy. In a report on Women and Entrepreneurship, Allen et al, (2007) further validated the significance of female entrepreneurial activity on economic development. They argue that investing in female entrepreneurship is a significant medium for a country to rapidly increase the impact of new venture creation. McConnell (2007:2) additionally revealed that, women have potential to bring economic and social prosperity in the world and therefore encouraging and facilitating women entrepreneurship is very important.

It is also observed that women are more likely to share the benefits gained through entrepreneurship with immediate family members and contribute to the community at large. In addition, the OECD 2004 noted that women entrepreneurs not only create new jobs for themselves but also they create employment opportunities for others. Further, women entrepreneurs by being different provide different perspectives ranging from; management, organization, business problems and solutions as well as to the exploitation of entrepreneurial opportunities to the society.

2.3 Profile of female entrepreneur

A number of studies basically descriptive in nature, aim at giving an overall picture of women's participation in business life. Female entrepreneurs are a heterogeneous group. However, they do seem to share some common

characteristics. It is possible to generate a broad profile of the typical female business woman (Still and Walker, 2006:298).

Hisrich & Brush (1984:30) study in the USA concluded that, the profile of the female entrepreneur was: She is between 35 and 45 years old, of middle income class, married and has children, well educated, and owned a small service or retail business. Scott (1986) also found out that both men and women entrepreneurs had similar motivations such as independence, challenges, and the opportunity to make money.

Sarri and Trihopoulou (2005:32) also observed that, the female entrepreneur is on average 43 years old and is usually older compared to her male counterpart. She is often married and she has children, and mostly enters entrepreneurship when the children are quite older.

However, there is an upcoming development of younger women entrepreneurs (Birley, Moss and Saunders, 1987:35; Still et al, 2006). Sletten & Hulaas, (1998: 183) further note that as a result of economic shifts in the society, future entrepreneurs are “younger, with stronger educational backgrounds and have significantly less working experience than their predecessors.”

The woman entrepreneur typically operates a service business (Brush and Hisrich, 1991). She is mostly college educated (Goodbody, 2002), is more often better educated than her male counterpart (Madsen et al, 2003; Fitzsimons, 2004); and has work experience (Henry et al, 2003) in the service area (Brush et al, 1991; Goodbody, 2002).

Although women entrepreneurs tended to run small businesses mostly in the retail and service sector, (Hisrich 1986), their businesses have the potential of eventually growing into big businesses (Steward and Boyd, 1988), but the businesses tended to have sluggish growth (Lee-Gosselin et al.' 1990).

Most women entrepreneurs have a tendency of choosing the type of business which they were familiar and had an interest in the sector (Collerette et al.' 1990) and in which they "had had prior experience" (Steward, 1988).

2.4 Challenges of a Female Entrepreneur

This section of the study presents a detailed review from literature of the obstacles that are posed to female entrepreneurs during the entrepreneurial process, that is the start up or growth of a firm.

An entrepreneurial process can be described independent when the results of the process are not predetermined by any initial conditions such as being highly educated or being a woman. This implies that there is no fixed outcome; instead the final result is dependent on the specific choices that are made in the process (Goldstone, J.A. 1998). Having this in mind, the process is not an independent process. Conditions such as availability of finance, decision making, business know-how, technology among others affect the outcome of the process.

Recently, the subject of women entrepreneurship has attracted attention from a number of researchers. Attempts have been made to identify women's motivations, management styles, business performance, training needs, access to funding and participation in business networks as well as how they balance work and family (Aaltio, Kyrö & Sundin, and 2008: 39).

Female entrepreneurs are faced with numerous constraints that obstruct the successful start-ups and growth of their entrepreneurial activities in spite of the economy they operate in. Regardless of gender, entrepreneurs face a variety of problems. Kantor (1999) argued that these constraints are often greater for women relative to men. Nonetheless, increasing numbers of women are discovering that the easiest way to break the glass ceiling is by establishing their own companies (Zimmerer and Scarborough, 2002:77).

Several studies about women entrepreneurship include a myriad of problems that women entrepreneurs encounter that impede a successful establishment or growth

of their business ventures. For example, Proulx (1995:121) identified four principle types of obstacles relating to personal constraints, external funding, lack of physical, moral and psychological support and acknowledgement from the community, and the relative absence of women from business networks.

The Groupe conseil sur l'entrepreneuriat féminin (2000) identified three major concerns for women entrepreneurs, namely access to funding, information and training and business networks. Légaré and St-Cyr (2000), identified eight potential obstacles in the literature on women's entrepreneurship, namely discrimination in the granting of outside funding, concentration of women in low yield sectors, lack of relevant professional experience, shortage of support networks, lack of time and money for training, difficulty in balancing of work and family, lack of spousal support and poor financial performance.

The various problems women entrepreneurs encounter, as reported in literature, are categorized into four major headings, these categories are those also identified by (ILO 2004): access to finance; social and cultural constraints; educational and occupational; role and behavioral problems.

2.4.1 Access to Finance

The entrepreneurial process is dependent on resources. Financial capital is crucial to the establishment and expansion of a business. Access to finance is a recurring research topic in entrepreneurship literature, and is considered as the leading obstacle facing women entrepreneurs (Brush 1992; Hisrich et al (1999:123); Van Steel and Thurik (2004:14); Kantor (2001:6-7); OECD 1997; O'Neill et al (2001:39)). These studies have established that most of the women entrepreneurs face difficulties when it comes to obtaining adequate capital and at affordable rates to start new ventures or to expand their business.

First of all, women have significantly less personal tangible and intangible assets in comparison to men. This implies that since women have less capital, they must seek extra resources compared to men in order to pursue a business opportunity.

In this context of finance for women entrepreneurs, (Carter *et al.*, 2001; Storey, 1994) identified other problems with regards to financing:

- a) Women are underprivileged when it comes to the ability of raising capital to start a business;
- b) The collateral needed to borrow capital from external sources exceeds the wealth scope of most women;
- c) Due to limited penetration into financial networks, finance for an operating business might be less available for women entrepreneurs;
- d) Gender stereotyping and sexual discrimination of women affects the relationships between women and financial institutions.

OECD 2004 notes that women still have negative perceptions of the financial institutions such as banks. Reasons for the negative attitudes as argued also in literature, are possibly due to the traditional attitudes of gender roles, women are not regarded as entrepreneurs. Plus the sectors in which women mostly operate in are service sectors such as beauty salons, beauty clinics, personal services, care, etc., the financial institutions are not used in handling these sectors.

In developing economies in particular, women still have major problems in accessing finance for their businesses simply because of their weak position in the society. In some countries, women have no rights to seek finance as individuals. The only solution is for their husbands, fathers, brothers or other male figures to seek finance in their place instead (Mayoux, 2001).

2.4.2 Social and Cultural Constraints

Throughout the globe, compared to men, women are considered as the weaker gender both physically and emotionally. Therefore, available prospects for the women to develop into business professionals are still quite unexplored and this area needs more attention (Wennekers 1999).

Crampton and Mishra (1999: 3) cite that “the constraints imposed upon the women by society, the family, and women themselves pose as a major obstacle to

women entrepreneurs”. The authors further note that in societies where women are not accepted as powerful and influential business leaders, this poses unacceptance as a major obstacle to these women (Crampton and Mishra 1999:12).

Relationships in the developing world are designed in a hierarchical manner. Women are subordinate to men, possess less power and they lack the opportunity to access resources. Relationships between men and women in the family, workplaces and in public circles are reflections of how the society perceives what is proper female and male characteristics and behavior”. Growe et al (2001: 35) find that society’s perceptions and attitudes towards proper male and female roles is in itself an obstacle that brands women as not task-oriented enough and lacking independence.

Hisrich & Brush (1986:86), noted that women feel discriminated against because they are not always “taken seriously” in the business world.

2.4.3 Lack of Specialized Educational Background in Business and Advances in Technology

Most studies indicate that education has positive effect on entrepreneurship (Bjerke, 2007: 86).

To launch a successful business venture, relevant knowledge is a requirement. Appropriate education is a necessity for bringing up the right perception and intention about entrepreneurship.

Allen and Truman (1993) noted the existence of variances in the levels of education of entrepreneurs between developed and developing economies. In developed economies, levels of educational of the entrepreneurs are relatively high and the number of entrepreneurs without tertiary education is much lower, whilst in the developing world, entrepreneurs are often without adequate education and training base.

In general, women entrepreneurs are better educated in comparison to their male counterparts. They are more likely to have at the least high school diploma and attained some level of tertiary education. However, even though women entrepreneurs have a tendency to be better educated than their male counterpart, they often lack a background in business studies, (Stevenson, 1986). Also Cliff (1998) revealed that, women business owners were less likely than men to have degrees in business. Fabowale et al. (1995) suggested that this lack of business education may cause a red flag associated with women-owned businesses.

Technology is more than information technology, but this is technology which is most widely associated with our new entrepreneurial society. Information technology can be referred to as an infrastructure and knowledge necessary to make information quickly and easily accessible (Bjerke 2007:8).

With that in mind, women entrepreneurs were found to have difficulties accessing information related to technology and the economy. To ensure competitiveness and survival of the businesses, latest trends in technology and new information related to the economy is essential. Women entrepreneurs are not able to access this information perhaps due limitation of time and or specialist skills. Limited access to appropriate technologies and lack of technical know-how and have also been established as major obstacles facing women entrepreneurs in the small and medium sector in many developing countries (Baume 2000: Steel and Webster 1990).

2.4.4 Balancing Family Responsibility with Business

Another barrier recurring throughout the literature is stress that women face from their dual role. This refers to the anxieties that women business owners have regarding balancing work and family commitments. Universally, family responsibility falls largely on women, and this can occur even when women are involved in entrepreneurship. This results to allocation of time between family and business, leading to lesser chances of entrepreneurial success or general career advancement (Brush1997). In attempting to cope with both commercial and

domestic work, women experience 'time poverty' which leads to greater stress and difficulty (Still 1997).

Women entrepreneurs, therefore, are faced with the problem of combining the businesses with family responsibilities. This can be can be overwhelming and quite stressful and end up affecting the performance and productivity of their businesses as well as the well-being of the women themselves.

Ylinenpaa and Chechurina (2000) noted that this 'double burden' that women bear performing both business and reproductive roles is also a typical feature of women in western economies. Also, a study by Belcourt et al. (1991) concluded that women being the main caregivers to children and their responsibility for management of the household, when added to the role of entrepreneur and business woman meant 'role overload', a problem that their male counterparts hardly encountered.

2.4.5 Inexperience and incompetence

The process of entrepreneurship that is, from perception of opportunities to the implementation of launching a business is dependent on the relevant experience. In agreement, Kuratko and Hodgetts (1998:521) concluded that one major challenge facing women starting new businesses is the lack of experience and lack of management skills prior to starting a business.

Persons with more experience have a higher probability of discovering opportunities and are in a better position to exploit them. However, the rewards for taking the initiative and establishing a new venture may be inconsequential unless there is substantial value in the business opportunity. When this is the case, individuals with several other career options may not be inclined to pursue the business venture. This means that even though highly educated and skilled women have the potential of percieving and exploiting business opportunities, incentives for doing so may be little if the potential value of the business prospect is significant.

Research from developed countries indicates that (OECD 2012) women with higher education prefer other career options to entrepreneurship. Therefore, one can conclude that entrepreneurship is largely dominated by either inexperienced women or experienced wealthy women. Measures are needed in place, to encourage the educated women to become more attracted to entrepreneurship. If women are comparatively less skillful than their male counterparts, then firms created by these women will have a much lower likelihood of survival and growth than those established by men.

2.4.6 Limited social and business network

Networks play a multifaceted role for women entrepreneurship and business owners in general, by helping them access advice, form partnerships, and build value chain relationships (GEM 2010).

During the early stages of enterprise development, entrepreneurs depend heavily on informal networks comprised mainly of friends and family members. As the business grows, they rely more and more on professional networks made up of accountants, financial advisors, lawyers, consultants, suppliers, government agencies, etc. to have access to vital business information (Birley et al., 1991:59).

Evidence exists that indicates that women have less involvement in networks compared to men and that the nature of their network is quite different (GEM, 2010). (Aldrich & Zimmer, 1986:6) observes that it is vital for businesses to have weak networks and strong-ties.

The functional role of networks is: information provision, possibilities and support (Granovetter, 1985:490). Networks play an important role in influencing the entrepreneurial process such as opportunity recognition, resource mobilization or the creation of an organization and in getting results, such as the formation of a new venture or activities such as going public, acquisitions, mergers or alliances (Bjerke, 2007: 146). Information networks that are effective enhance the entrepreneur's environment and enrich the other processes and networks that the entrepreneur engages in (McAdam and McGowan, 2003: 158).

Ramachandran & Rammarayan (1993), noted that social networks offer diverse valuable resources for both the would-be and entrepreneurs in operation.

Resources such as business experience, expertise, encouragement, support, sources of funding and idea generation can be accessed through networks. In addition, networks are also used as platforms to test new ideas and as a medium through which entrepreneurs can gain access to resources to exploit discovered opportunities (Aldrich and Zimmer, 1986: 5)

Research has established the significance of the support of nascent entrepreneurs gained through role models and close relationships with people within the business community (Hansen, 1995; Matthews & Moser, 1995). Through case studies, research has attempted to define the role of networks in the process of new venture creation (Hansen, 1995; Larson *et al.*, 1993).

2.5 Integrated framework for Women Entrepreneurs

As described by Stevenson and St-Onge's study (2003), the framework developed is a holistic practical approach for supporting women enterprises from launching to growth.

After identification of the challenges faced by women in their entrepreneurial endeavors, the integrated framework was developed in order to nurture growth and develop women enterprises. However, in order for women to pursue entrepreneurship, the women have to be aware of the option of entrepreneurship and most importantly, motivated to pursue it (Stevenson and St-Onge, 2003)

In addition, for the women to be able to pursue the perceived opportunities, they need to acquire the necessary knowledge and skills to start and grow a viable enterprise, have the exposure into women networks, access to information and professional business development services, have access to financing to support and develop the women's business ideas and plans and lastly a recognition for accomplishments and progress, both collectively and individually.



Figure 2: Framework for developing women Entrepreneurship. Modified from Stevenson & St-Onge (2003)

2.6 Promotion of female entrepreneurship in Finland

This section presents an overview of the support of women entrepreneurship in Finland. It draws substantially on published research materials related to this topic. Selected cases of good practices in promotion of women entrepreneurship from Finland in areas of start-up, funding, training, mentoring, information, advice and consultancy, and networking are presented. The aim is to use this framework from Finland compare it to Kenya in order to identify “gaps” in provision that can be filled by the transfer of ideas from Finland to Kenya.

The main aim of entrepreneurship promotion strategies is to motivate and encourage women to pursue entrepreneurship as an attractive, viable and feasible option of employment (Stevenson & St-Onge, 2003: 19). For that to happen, it is important to create a supportive and more favorable environment for entrepreneurs women.

Supporting women’s entrepreneurship is a part of Finnish Government’s Entrepreneurship Policy Programme in Finland. The Finnish national policy to promote women’s entrepreneurship dates back to the 1980’s. This is when the

first nationwide program was launched to focus primarily on women entrepreneurs. In 2004, the Ministry of Trade and Industry set up a working group on the promotion of female entrepreneurship. The group developed a plan that was integrated into the development of Entrepreneurship Policy Programme with the objective to raise the percentage of women entrepreneurs to 40 percent (Aaltio, Kyrö & Sundin 2008:82).

Good practice countries deploy numerous measures to encourage and promote women entrepreneurship. For example Finland is a good practice country. The support for women owned businesses is often in terms of programs and operates through one or more institutions. The national and or regional and or local governments provide assistance to aspiring entrepreneurs and existing businesses that are seeking to expand. In Finland, specific women projects are in place to supplement several gender neutral schemes for promoting enterprises, such as business start-ups grants and aid for the salary of the first employee.

2.6.1 Ladies Business School (Naisten johtamiskoulutusohjelma)

The Ladies' Business School since 1987 has been providing training programs for female executive and the key personnel. The programs offered by the business school are targeted towards would be or existing business owners. The school's main focus is on provision of training, consultancy, development, advisory, marketing and financing services.

For nascent firms, specific enterprise training and courses for women are offered. Additionally, several courses for women in female nominated sectors are also offered. The Ladies' Business School also implements various projects aimed at promoting women's entrepreneurship (Centre for Economic Development, Transport and the Environment 2013).

2.6.2 Women's Advisory Organisation for Development of Rural Areas.

The Rural Women's Advisory Organization is a nationwide organization. The organization offers advice focused to households, customers, promotion of landscape management and small enterprises in rural areas.

The organization is one of the largest women's organizations in Finland with a membership of 60,000. The organization employs more than 70 professionals of different expertise. The organization is a powerful development agent and network in rural areas. The activities implemented at the local level include training courses, field trips and club meetings and women get-togethers for learning and recreation.

At the municipal, the members establish their own associations. The number of these associations is almost 1900. The actual advisory work is carried out at the National Regional Centers, which operate in cooperation with the Rural Advisory Centers (Rural Women's Advisory Organisation 2006).

2.6.3 Women's Enterprise Agency (Naisyrittäjäyyskeskus ry)

Founded in 1996 in Helsinki, the agency's aim is to encourage women's entrepreneurship. It is an operating nationwide networking organization for women's entrepreneurship. The Agency offers consulting services and trainings to women who are about to launch or have recently launched their own business. The agency is financed by the Finnish Ministry of Trade and Industry, the Ministry of Education, European Social Fund as well as by local private companies.

The agency initiated a mentoring program, which in 2002, was named by the European Commission as the "model of best practice" in promoting women's entrepreneurship. At present, in addition to the trainings, mentoring and networking events offered, the agency offers pilot programs for start-up entrepreneurs, for students as well as migrant women in Finland. The agency also offers individualized advice, information and thematic sessions (Women's Enterprise Agency 2013)

2.6.4 Business and Professional Women

BPW is an acronym for Business and Professional Women. BPW is an organization established in Finland that offers encouragement to its members by offering information and education. The organization also supports research in the field of women entrepreneurship. Additionally, the organization highlights the significance of professional competence and skills through selecting the woman of the year. BPW Finland keeps a special interest in contemporary issues regarding business and professional women.

BPW Finland also cooperates with other organizations that facilitate the opportunities for women to operate equally on social, educational and economic issues (Business and Professional Women 2013).

2.6.5 Women Entrepreneur Loan

Finnvera Public Limited Company is a state owned company that specializes in financing businesses. The company provides business loans, guarantees, venture capital investments and export credit guarantees tailored to various stages of company development. One of the company's loan portfolios is the Microloans and Loans for Women Entrepreneurs. Loans for Women Entrepreneurs are for establishing and developing businesses owned and managed by women. These are financial products targeted for enterprises employing no more than five people and women entrepreneurs.

These microloans are particularly aimed at small businesses that are just starting or are already functional. Loans for Women Entrepreneurs are intended for enterprises where women are majority shareholders and companies that are managed by women. The both loan forms can be used for investments such as machinery and equipment, working capital, or for other start-ups projects or expansion projects and for business development.

The loan schemes for micro companies and female entrepreneurs were designed in the middle of 1990s when Finland was gradually starting to recover from severe

economic downturn during the first part of the decade. The challenge was to help cut unemployment and induce entrepreneurial activity. Since then, micro loans and loans for women entrepreneurs have been one of the tools to promote entrepreneurship by facilitating the access to debt finance and to promote self-employment (Finnvera 2013).

2.6.6 The Central Association of Women Entrepreneurs in Finland (Yrittäjänäisten keskusliitto ry)

The Central Association of Women Entrepreneurs is a non-governmental organization that focuses on women's entrepreneurs. It is a nationwide organization established in 1947. The organization represents the interests of women entrepreneurs in operational, business and social fields. The organisation consists of more than 100 local organizations across the country.

During 2008- 2009, the association and the Finnish Institute of Occupational Health together launched a project "Women entrepreneurs' that focused on development of business and wellbeing of the women entrepreneurs". The target of the project was to develop a sustainable well-being at work of entrepreneurs', promote entrepreneurship, and development of new employment models that hoped to increase employment. The project also aimed at getting young women interested in entrepreneurship and also assisting them to find the balance between business and family life.

2.6.7 Employment and Economic Development Centres - Advisors for women entrepreneurs.

The Employment and Economic Development Centers (T&E Keskus) offer a range of services such as provision of assistance to would-be women entrepreneurs in business specific matters, supporting women in starting up and expansions of their business activities, supporting the development of new operating models that enhance women's entrepreneurship and activation of the

networking of women entrepreneurs (Centre for Economic Development, Transport and the Environment 2013).

2.7 Conclusion

In summary, this chapter treated existing women entrepreneurs and prospective entrepreneurs as a separate segment from the men's entrepreneurs. It is important to acknowledge that, even though there are differences between men and women entrepreneurs, women as a group are also not homogeneous. They have differences in terms of age, marital status, education levels, work experience, cultural values, social class, ethnicity, religion, social class, and so forth. These factors should be taken into consideration during the development of effective and the implementation of solutions.

The OECD (2004) and UNIDO (2001) extensively deliberated on the problems women entrepreneurs face in both OECD and non-OECD countries. They came to the conclusion that decreasing these problems will not only contribute enormously to the success of women entrepreneurs' ventures, but also enable them to receive the necessary support to equip them to overcome the problems and help to fully develop their potential.

3 CASE KENYA

This chapter presents the case study of Kenya. The aim of the chapter is to explore the macro environment of the businesses in Kenya to better understand the environment the female entrepreneurs operate in.

The macro environment is comprised of factors which are essentially beyond the control of any business. These factors include social, political, economic, regulatory, tax, cultural, legal, and technological environments influence decision making on usage of resources and performance of any business (Kuratko & Hodgetts, 1998:194)

When changes occur in the macro environment, businesses are affected and ultimately the aggregate performance of the businesses is also affected. Macro business environments influences among others; credit availability (Aghion et. al., 2005), business entry costs (Aghion et. al., 2006, ability to enforce a contract (Acemoglu et.al. 2007), and protection of investors (Rui et al., 2004). Prescott (1994:12) revealed that the macro factors can increase the cost of adoption technology and as a result play a role in the reduction of long-term economic growth prospects in an economy.

A favorable macro business environment encourages efficient operation of firms. Favorable macro conditions encourage firms to be innovative and boost productivity which are prerequisites for sustainable development. A more vibrant and productive private sector, results in employment opportunities and contributes in also in form of taxes which are vital for investment in public needs such as security, health, roads, education, research and development among other services. A poor macro business environment on the other hand, is detrimental to the efficient operation of business activities, creates more obstacles, and shrinks a country's prospects of reaching its goals in terms of job creation, economic growth and alleviation of poverty.

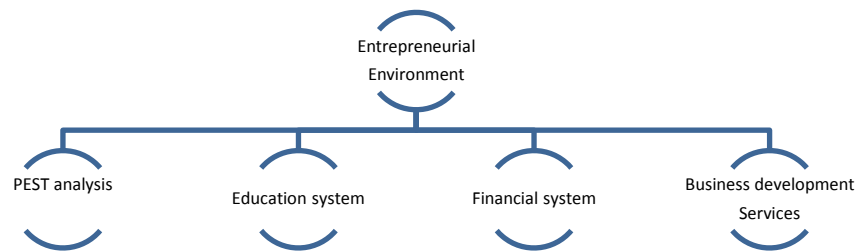


Figure 3.1 Framework for case study (Source: Current study 2013).

3.1 Introduction to Kenya

Kenya is officially known as the Republic of Kenya is located along the east coast of Africa. Kenya is a former British colony and gained independence in 1963. Kenya is the largest economy in East Africa.

The population of Kenya is stands at 44,037,656 (World fact book, 2013). The capital city is Nairobi which is also serves regional commercial hub of East Africa. It is also home to the United Nations headquarters in Africa and other major international corporation's in Africa.



Figure 3.2: Map of Kenya (Source: World factbook, 2013).

The following section presents the analysis of the macro environment in Kenya using the PESTL tool.

3.2 PEST analysis

PEST is an acronym for political, economic, social and technological. Sometimes, if necessary, legal and environmental aspects can also be integrated into the analysis. PEST is a management tool used to understand the big picture of the technological, political, social and economic environment that a business is operating in. By understanding the forces of change within the environment, an organization can take advantage of the forces and minimize the threats.

The next section of this paper comprises of an analysis into the political, legal, economic and technological factors relating to the business environment in Kenya.

3.2.1 Political factors

Gartner (2001:18) cites that businesses have to take into account the more general political ambitions of the government. Businesses can be affected by many political aspects. All businesses must comply with the law.

A country's political environment has an impact on the business environment. As a result, the performance and productivity of a business is also affected. The political environment of a country can potentially introduce some risks that could cause losses to the business or present opportunities.

From the local to the national level, the actions and policies of the governments, from could radically change the political atmosphere. Hence, it is important that businesses anticipate and are prepared to deal with the consequences of such government politics. The factors in the political factors that may affect the business environment include but not limited to political stability, government

regulations such as employment laws, accounting laws, environmental regulations, tax policies and trade restrictions.

In the Kenyan context, a political factor such as adoption of a new constitution has greatly affected the business environment. The new constitution promulgated in August 2010, has changed the way the Kenya is governed by creating the National and County Governments. The Vision 2030 has the potential and the ability to focus national effort and facilitate the achievement of significant progress on critical areas. Additionally, the new constitution and creation of County governments have raised the public expectations.

The government of Kenya policy on terrorism is another political factor that has affected the business environment. The war on terrorism has affected the Kenyan security and economy. Travel advisories have affected tourism which is a key foreign exchange earner coupled with the implied concerns regarding security that create hostile environment for international investments in the Country.

3.2.2 Economic factors.

Economic factors are factors that could potentially impact the capital costs and purchasing power of a business.

The economic factors are factors such as economic growth rates, interest rates, inflation rates and currency exchange rates. International and domestic businesses are both often affected by the dynamic economic conditions prevailing in the economy. Additionally, factors like demand and supply and recession, etc. often have an impact on the businesses (Kuratko & Hodgets 1998:196).

Kenya is the trade and finance hub within the East Africa region. Economic growth Kenya has been hindered by the effects of the global financial crisis, remittance on exports coupled with the post-election violence experienced in the country early in 2008.

Another factor that affects businesses is corruption. Kenya has continued to perform poorly on the rankings by the Transparency Organization. Corruption is rampant in Kenya and its effects on economic development are drastic. Corruption undermines policies designed to encourage entrepreneurship. For instance, corruption affects entrepreneurship in ways such as limiting access to government funds, access to permits and tenders and so forth. The agents of corruption reduce participation of commercial activities to their own sphere of relatives and friends, or acquaintances. This interference makes it hard for potential entrepreneurs to conduct business in a fair and just manner.

Economic development depends on changes made by participants in the micro and macro environments. The agents of change are the individuals responding to the incentives represented in the institutional framework of corruption. Corruption is an informal institution that influences entrepreneurship (Mbaku, 1996:402).

3.2.3 Social factors

The potential market size for goods and services, consumer's needs and wants are greatly influenced by the social factors. These social factors include; growth in population, age demographics, cultural values, changing roles of women, levels of education, changing lifestyles, and attitudes towards health. These social factors are important as they often present new commercial opportunities to exploit.

The increase in population growth continues to outstrip the ability of the economy to provide the necessary resources and contributes to high levels of unemployment. With the population of Kenya currently standing at 42.7 million (UN 2012), the UN projections stand at a population of about 85 million by the year 2050. The population of women is slightly higher than that of male population in all the age groups (Census 2009). Overall, the youth population constitutes of women 51% and males 49% respectively (Census, 2009).

The high rates of unemployment among the youth are a devastating factor socially and economically. According to the 2009 population and housing Census, 34 percent of the Kenyan population is aged between 15-34 years. Further, the Kenya

Household Integrated Budget Survey (KIHBS) of 2005-2006, states that the youth unemployment in Kenya constitutes 70% of total unemployment. . This is a substantial workforce that if they were productive, they would contribute significantly to the economic prosperity of the Kenya.

Currently, there are a reported 22 million people of working-age today in Kenya. The World Bank (2012) projects that, by the year 2050, Kenya will have about 56 million people of working age.

Kenya's pattern of population growth in the future can be a positive thing. This can mean a wider scope for innovation as young people are more educated, are in need of jobs and that they can contribute to job creation. Also a large urban and well-educated population is likely to contribute to a strong middle class and a vibrant private sector. Although it is not a guaranteed, it is however easier to achieve and sustain economic development with a vibrant private sector and a growing middle class. After all, if Kenya is to achieve the 2030 Vision of moving Kenya into a middle income nation, what better way to ensure that happens than having strong middle class citizens.

3.2.4 Technological factors.

Technological factors may influence the entry, production or purchasing decisions and investments in innovation, investment in technology incentives, automation and the rate of technological change. In addition, changes in adoption of technology, new trends and innovations require swift responses by businesses if they are to be stay competitive and survive the ever changing environment.

In Kenya, recent developments have seen an Increasing adoption of computer and ICT in running of businesses and government operations. For example Kenya Revenue Authority (KRA) upgraded its systems in 2013. This has enabled taxpayers to remit taxes online. Investors can now to start up and register their businesses online. In the end, the system also drastically reduced the time spent by about three days (53 hours) in calculating corporate income tax.

In addition, an online system for value added tax has also been introduced by the KRA enabling businesses to pay taxes with much ease. Kenya has also launched an online platform that facilitates the process of handling construction permits and allows architects to submit and track the progress and status of permit applications online.

Kenya has already introduced some ground breaking innovations in technology. For example, M-Pesa, which is a mobile banking system that has been adopted by millions of Kenyans and the innovation, is slowly spreading to other African countries such as South Africa. Ushahidi, is another innovative platform for crowd sourcing information during disasters.

The country is aiming to be the technology hub in Africa. In January 2013, the government of Kenya launched a multibillion dollar technology city called Konza. The aim of this project is to realize the five year goal of generating more than twenty thousand direct BPO jobs and of increasing the City's technological contribution to GDP by about Ksh10 billion annually (Ministry of Planning, 2008).

Kenya has also boosted the internet and Telecom sector by investing in fiber optic cables. The country aims to strengthen its position in the African region as an ICT hub. The government of Kenya is planning to roll out the nationwide ICT Master strategy, which targets to set up Kenya as the leader of ICT investments and innovations in the African region by the year 2017.

All these developments have had positive impacts on businesses, small, medium, and big. In fact, the 2013 edition of the World Bank's The Ease of Doing Business Report 2013 ranked Kenya in position 126 out of 185, up from 132nd in 2012 which is a positive improvement. Definitely, if Kenya continues with such positive developments, Kenya can in the coming years score better rankings in the Ease of Doing Business.

3.2.5 Legal Factors

Understanding the regulatory environment is very important for a business. A business must comply with government rules and regulations (Kuratko &Hodges 1998: 195). In fact, Moran (2001) cites that many changes in the law stem from government policy. It is important that businesses ensure that they meet these requirements and anticipate any legal changes in the future. Legal changes that affect business are closely linked to political ones.

Governmental regulation is one of the most discernible influences on businesses today. Costs and profits are directly being affected as much by a government directive (Kuratko &Hodges 1998: 196).

Unfavorable regulatory business environment discourages potential investors and also reduces revenues for the businesses already in operation (Wanjohi, 2009). A study was conducted in 2010 on the challenges facing Small and Medium Enterprises in Nairobi. The study revealed that a most of the entrepreneurs (84.2 per cent) indicated that “unfriendly legal and regulatory environment” was the biggest challenge faced entrepreneurs operating within the Nairobi County.

A further 42.1 per cent of the respondents reported that the most demanding legal and regulatory issue that affected businesses at the Nairobi County was the business permit. The respondents added that the process of applying for a business permit was “long, tedious, and expensive.” Furthermore, there were sentiments among the majority of the respondents, that the city council of the Nairobi County did not provide services that aligned with the costs of acquiring the mandatory business permit. Another common concern among the respondents was that fines which are charged upon defaulting to meet certain business legal requirements were simply too hefty.

This demonstrates that there is need to improve the legal and regulatory environment of business within the County to create a more favorable business environment that is best for entrepreneurs.

POLITICAL	<ul style="list-style-type: none"> • New tax policies affecting businesses • Changes in the political environment i.e New government • High levels of corruption • New constitution that changed the way Kenya is governed • Kenya's war on terrorism
ECONOMIC	<ul style="list-style-type: none"> • Inflation rates • Global economic crisis • Interest and exchange rates • High rates of unemployment among • Economic growth rate
SOCIAL	<ul style="list-style-type: none"> • Population demographics • Increase in middle class • Increase numbers of educated Kenyans • Lifestyle changes • Low birth rates • Consumerism
TECHNOLOGICAL	<ul style="list-style-type: none"> • Rapid technology changes • Introduction of technology in business .eg electronic cash registers • Introduction of technology brings opportunities
LEGAL	<ul style="list-style-type: none"> • Trade and investment regulation • VAT (value added tax policy) • Laws on business registration • Business licensing laws

Table 3.2: Summary of the political, economic, social, technological and legal factors in the business environment in Kenya.

3.3 Education system

Some research studies have attempted to study the relationship between education and entrepreneurial success. Bates (1990:555), is of the view that entrepreneurs who are highly educated were likely to create firms that remained in operation. Osirimi (2000:25) cited similar results that high levels of educational attainment led to successful entrepreneurship. Dolinsky et al (1993) revealed that the likelihood of entry, survival and growth of business increased with the level of education attainment.

It is likely that formal education made managers more receptive to business management (Johns, Dunlop and Sheehan, 1981). Further studies have also noted that expanding businesses have had managers who had tertiary and professional qualifications (Gudgin, Brunsjkill and Forthergill, 2006), this however might not be a sufficient condition for success (Lloyd and Dicken, 1982)

It is impossible to achieve any kind of national development without education. Education plays an enormous role in achieving and sustenance of national development. For sustainable development, the necessity of innovation, automation and achieving efficiency commanded the adoption of technology in most, if not all aspects of life. Technology and entrepreneurship education go hand in hand. They are the foundation for national development and the strategy to achieving the vision 2030. Kimalu 2001 notes that, in order for Kenya to achieve the 2030 Vision, a complete restructure and incorporation of skill-based educational model into the educational program for capacity building and self-reliance is mandatory.

Provision of a globally competitive quality education, training and research and development is one of the education goals of the 2030 Vision. This is to be achieved through illiteracy reduction, increased access to education, improvement in the transition rates from primary to secondary schools, and raising the quality and relevance of education (Ministry of Planning, 2008). Other goals of the education goals are; the incorporation of special needs education into learning institutions, increase of the literacy rates of adults to at least of 80%. The government also is targeting; a 95% enrollment rate in primary schools, 8%

transition rates to technical institutions, a 20% enrollment rate to universities and increased emphasis on science and technology courses, (Ministry of Planning 2008).

Vocational institutions award certificates, diplomas and higher diplomas. Courses offered by these institutions range from; accounting, secretarial courses, nursing, teacher training, commerce, computers, journalism and media, art and design, automobile mechanics, culinary studies, foreign languages, tourism, and beauty and wellness and much more.

In the order of accreditation, the rankings are as follows: national polytechnics, government institutes, teacher training Institutes and private institutions respectively. Even though they generally referred to as colleges, these institutions do not award degrees. Degrees are awarded by universities only (Sifuna, 2000).

Entrepreneurship education is a realistic and practical approach for fostering rapid transformation and stimulating national development. Entrepreneurship education can provide skills such as creativity, innovation, production and management that are necessary in businesses and self-reliance. This kind of education needs to be part of the learning curriculum in Kenyan schools.

GEM 2004 defines entrepreneurial education as the acquisition of knowledge and skills for the purpose of entrepreneurship. On a global scale, this type of education is becoming increasingly common in primary, secondary and tertiary-level educational institutions. There is an increase in demand for knowledge about the entrepreneurial process and what this means for those starting up businesses today.

Education in technology spurs the process of national development. Eshiwani 1993 states that, “there is need for functional education to be relevant, practical and the acquisition of appropriate skills and the development of competencies as equipment for the individual to live in and contribute to the development of his or her society.”

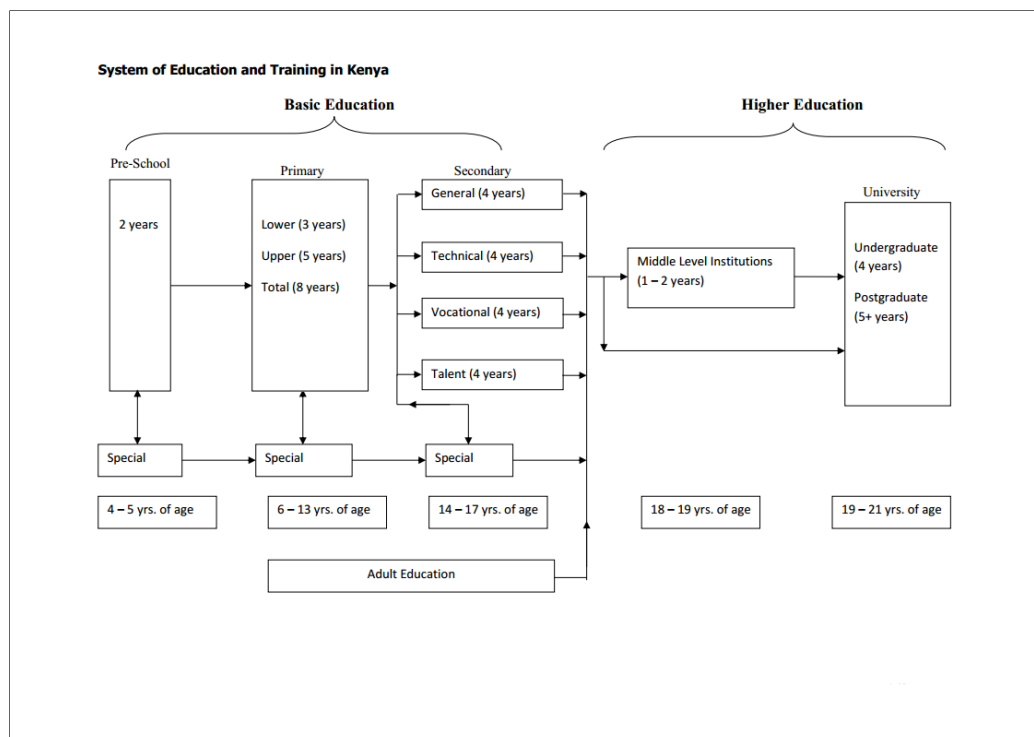


Figure 3.2 The Kenyan Education systems. Source: Maranda Education Center (MEC 2013)

In conclusion, education in Kenya needs to be relevant, pragmatic and directed towards the acquisition of skills, and competencies that are practical. These skills are essential for self-reliance, capacity-building and national development. To effectively achieve the educational development goals and for Kenya to realize the vision 2030, it is pertinent that the policy makers keep up with the latest developments and changing needs of education and technologies.

3.4 Financial System

A financial system can be described the system that facilitates the transfer of money between and lenders and borrowers. A financial system can function at a global, regional at firm specific level. A financial system can be advanced or basic. An advanced financial system broadens access to external financing and directs resources to the sectors in need of the finances (Rajan and Zingales, 1998). A

well-developed financial system is also important for long-term economic growth and alleviation of poverty (World Bank 2001)

Financial services are a diverse range of businesses that deal with the management of money. These companies that deal with financial management are different institutions such as Central Bank, investment companies, banks, credit card companies, financial markets, and even governmental institutions. (Kuratko, 2004:123) adds that, financial services can also refer to the services and products that money management organizations offer to the public.

Kenya has the one of most advanced capital and financial markets in sub-Saharan Africa. The sector is filled with professionals such as; accountants, brokers, bankers, investment advisers, fund managers and other financial intermediaries of high professional standards. Countries that have advanced banking systems and capital markets tend to achieve higher growth rates (World Bank, 2001)

The Central Bank is responsible for the management of the financial and the banking system in Kenya. The Central Bank's supervision is of a high standard. Presently, there are over 40 operational banks and other financial institutions such as building societies, foreign exchange bureaus and credit reference agencies existing in Kenya. The Capital Markets Authority (CPA) is responsible for regulating and supervising the capital markets, such as the (NSE) Nairobi Stock Exchange, (Central Bank of Kenya, 2013).

Effective financial markets and financial institutions can help an economy to better handle external shocks such as volatility of terms of trade (Beck, 2002; Raddatz, 2003).

The Kenyan financial systems are however, not without faults. The major barriers to the progress of Kenya's financial system as cited by World Bank 2001 are: the banking market is filled with insecurity and lacks transparency, high interest rates that drive the borrowing costs high and result in limited access to financial services, a legal and judicial system that is deficient, and lastly inadequate information sharing on debtors.

3.5 Female Entrepreneurship in Kenya

3.5.1 Profile of the Kenyan female entrepreneur

Stevenson and St-Onge (2005), revealed the existence of three profiles of women entrepreneurs operating in Small and medium enterprises in Kenya. The three profiles are: the Jua Kali, very small and small enterprises. The study concluded with that in order to develop the businesses, in each of the above named categories, tailored solutions and programmes to match their specific needs was required (Stevenson and St-Onge, 2005).

The Jua -Kali micro-enterprisers can be referred to as the unregistered and informal businesses. The owners of these micro enterprises: have inadequate formal education, usually below secondary school level and lack entrepreneurial and business know-how. They are constrained by basically no access to credit, limited markets awareness and market opportunities, household responsibilities and marital status.

The small enterprisers are recognized as registered and legitimate business premises. These small scale enterprises employ probably over ten workers. The owners have at least some secondary level education and some previously acquired work experience as employees. On some occasions, women entrepreneurs in this category have husbands that support them. The husbands may occasionally assist directly or indirectly in the enterprise. This group of women is constrained by: limited access to finance (for various reasons such as lack of property to be used as collateral for large loans). These businesses have growth prospects in both domestic and international markets. Some of the businesses are already engaged in exporting (Stevenson and St-Onge, 2005).

The last segment is the medium scale business. The owners are university graduates, with managerial experience in the business world, and possibly from an entrepreneurial family, have no problem in accessing finance and have probably a supportive husband. These enterprises are mostly involved in exporting.

These groups are categorized according to their demographics, the level of education and the scope of business experience, needs, access to resources, and growth prospects.

3.5.2 Business Development Schemes in Nairobi

Business Development Services (BDS) are commonly referred to as: “the non-financial services and or products that are provided to entrepreneurs to enhance the enterprise’s performance, access to markets, and its ability to compete, Evans (2001). The services may include among others: business trainings, consultancy services, networking, marketing assistance, advisory services, development and transfer of technology, and promotion of business linkages.

There are two types of BDS; operational and strategic. A clear distinction can be made between the two business services. The services needed for everyday running of operations such as: information management, communications management, accounts management and tax records, and labour laws compliance and other regulations are categorized as operational services. Strategic services on the other hand, are the services used by the business to manage short and long term matters in order to improve enterprise performance, innovation, accessibility to new markets, and a firm’s competitiveness.

According to Bull 1993, women entrepreneurs face specific challenges to business growth such as; insufficient training opportunities and limited access to sufficient marketing channels. Based on history, not many solutions have yet had the weight necessary to empower women on a large scale. Most of the financial services that are targeted to business use are usually not designed to address the specific barriers that women face.

In examining the existence of business development service in the Nairobi County, none of the BDS had offered any gender specific aims in provision of services. However, there is an assumption of gender neutrality since all BDS indicated that they do not discriminate. Most of the BDS indicated proportion of their male clientele and female clientele was 70% and 30% respectively.

A very narrow range of BDS are available to women entrepreneurs in the Kenya. Services such as business trainings, export promotion, networking, product certification, supplementary loans, mobile banking and overdrafts are available; but they are only accessible to a minority of women.

Limited access to BDS is a detrimental to the success of the women entrepreneurs, since these services are instrumental to the development, sustenance and growth of their businesses.

3.5.3 Women Enterprise Fund In Kenya

Women Enterprise Fund (WEF) is a partially independent and self-governing government agency in the Ministry of Devolution and Planning. The aim of the agency is provision of accessible credit and at affordable rates to support women start or expand business for wealth and employment creation.

The Fund's vision is social-economic empowerment of the Kenyan women entrepreneurs for economic development. The mission of the fund is to deploy resources and offer access to affordable credit and business support services to women entrepreneurs, (Government of Kenya, 2009).

WEF has five functions (Government of Kenya 2009).

- 1) Provisions of loans to women for business;
- 2) Attracting and facilitating investments such as business incubators that will be of benefits to women enterprises;
- 3) Support development of linkages of the women owned small enterprises to with large enterprises;
- 4) Facilitate the marketing in domestic and international markets of services and products of women enterprises;
- 5) Support the capacity building of the Fund's beneficiaries and their institutions.

Recently case study on assessment of the performance of the women enterprise fund was conducted (Kiraka, Kobia & Kitwalo 2013). The study revealed that the fund is facing a lot of challenges since its inception in 2007. The challenges mentioned are high costs of loan administration, high default rates, delays in disbursements, an inefficient multi-layered Fund structure, high demand/limited scope of coverage, competition with commercial bank products, and poor information dissemination among others.

4 METHODOLOGY

The aim of this chapter is to enlighten the reader of the research methods used in this study. The chapter further explains the reasons why this study chose the applied research methods.

In the previous chapters, the study reviewed the theoretical framework and expanded on various arguments. The research methodology now becomes relevant, as it explains the data collection and data analysis applied in the study and the reasons behind it. Generally, the purpose of a study usually influences the choice of research method.

An overview of the objectives and the research questions of the study will be outlined respectively. The research population and the sampling technique applied will be explained, as well as the tools employed in data collection are presented.

4.1 Research Objectives and Questions of the study

As mentioned in the first chapter, the primary research objective of this study is to conduct a study of graduate women in the Nairobi County in order to identify the obstacles they face at the start-up and development stages of their businesses with a view to produce appropriate development services. To achieve this objective, the study will illuminate some issues concerning these women such as; their backgrounds, needs, experiences and desires. Other secondary objectives of the study include:

- a) Establish entrepreneurial aspirations of educated, urban based women in the Nairobi County;
- b) Analyse nature of the business infrastructure in place aimed at supporting female entrepreneurs;
- c) The perspectives of the graduate women in the Nairobi County will be gathered in terms of development needs:
- d) Understand graduate women's entrepreneurship in Kenya and contribute to knowledge about them.

In order to meet the above objectives, several dimensions of women entrepreneurs were identified as necessary and required investigation based on the theoretical framework. The dimensions defined for investigation are: the characteristics of these women, their attitudes towards entrepreneurship, reasons for entrepreneurship, resources available to them, their network affiliations, the problems encountered in the entrepreneurial process and lastly their opinions.

To achieve the above objectives, the study constructed the following research questions:

- a) Who are they? Age, Education background and family background
- b) What are the reasons and attitudes for engaging in entrepreneurship?
- c) What is the nature of problems faced before, during and after the establishment of their businesses?
- d) What kinds or resources in terms of Financing, networking and business training are available for prospective and current female entrepreneurs within the Nairobi County?
- e) From the women perspectives, what kind of resources do they deem necessary to reduce the problems they face during their entrepreneurial endeavors?

4.2 Research design

Creswell (2009:5) defines research design as a strategy or proposal to conduct research and is comprised of an intersection of philosophy, strategies of inquiry, and specific methods. The research design provides a framework for data collection and its analysis.

The nature of the current study is to collect the respondent's attitudes, opinions, and experiences in order to get an understanding of the obstacles they face in their entrepreneurial activities. This type of study will involve the participation of a large population sample. This will result in large a lot of data which will need to be quantified and then analysed.

Considering all of the above, the best philosophical approach to answer the research questions and meet the target objectives of the current research is the post positivist.

Post positivism is a philosophy in which causes probably determine the outcomes. Thus the problems studied by post positivists reflect the need to identify and assess the causes that influence the outcomes (Creswell, 2009:6). It is also the intent to condense the ideas into small, discrete set of ideas to test such as the variables that comprise of hypotheses and research questions.

The post positivist approach is based on observation and measurement of the objective reality of what really exists “out there” in the world consequently developing new knowledge. The accepted approach to research by post positivist is that the researcher commences with theory, and then proceeds to collect data that either supports or refutes the theory and necessary revisions are made before additional tests are made (Creswell, 2009:6-8).

4.3 Population and sample of the study

The population of the study comprised of educated women in the Nairobi County. These women could be currently pursuing higher education, recent graduates, or already engaging in some type of business. These will be used as representatives of the population.

Nairobi County was chosen as the target area of the study. Of particular relevance to the study is the fact that the study area has greater number of these women. Another reason for the selection of this region for the study was the fact that the researcher is familiar with the region and the study area. Also the County is the capital city of Kenya; hence most of the institutions that are related to business for example; business schools, business development services, financing organizations, non- governmental organizations and Business Development agencies concentrated in this County.

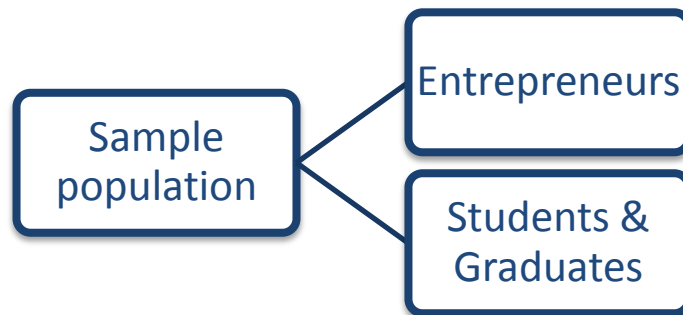


Figure 4.1: Population sample

In order to achieve the objective of the study of investigating women's entrepreneurship, distinctive criteria were used to identify the women entrepreneurs for the sample. The criteria were follows:

1. The respondents must be a woman;
2. The respondents must be living in the Nairobi County;
3. The respondent must at least completed high school and pursued or pursuing a diploma or degree;
4. The respondent must be an entrepreneur or a student;
5. The respondent must be a Kenyan to ensure that each respondent comes from a similar educational and cultural background.

4.4 Research method

A research method involves the forms of data collection, data analysis and interpretation of the data (Ghauri & Grønhaug, 2010:85). After the selection of the sample population was complete, next was the selection of the most suitable research method. Taking into account the theoretical approach and the nature of the research question, the positivism philosophy using a quantitative method of data collection deemed most suitable approach for the study.

There are four main ways of collecting quantitative data; namely interviews, survey, test or measures and observation, (Easterby-Smith 2006). Considering the

large number of potential respondents in the sample size coupled with the information required to meet the research objectives the data collection method decided on was the survey.

Surveys refer to a method of data collection that utilizes questionnaires (Ghauri & Grønhaug, 2010:118). Surveys are among the most popular data collection methods in business studies.

A survey provides a quantitative or numeric description of trends, attitudes and or opinions of a population by studying a sample of that population (Creswell, 2009: 145). It is an effective tool to get descriptions as well as capturing cause –and- effect relationships.

The rationale of conducting a survey is based on:

- 1) Efficiency in that many variables can be measured without essentially increasing costs or time;
- 2) Depending on the survey design, survey data can be collected relatively fast from a large population and at low cost.

The type of survey adopted for this study is the analytic survey. This type of survey, theory is tested by taking logic into the field. In this case, the study aims to establish the relationship between the success of female entrepreneurship and provision of business support services.

A standard questionnaire was designed in Webropol 2.0. Webropol is an online survey and analysis software. The questions in the survey questionnaire were related to all the research variables of the study. Based on the theoretical framework of the study and the research questions, the questionnaire was structured into the following sections

1. Demographic profiles – Age, level of education, marital status
2. Reasons or motivations for business venture ownership
3. Resources available to the women in terms of finances, information, BDS, training and mentorship.
4. Network affiliations and associations
5. Promotion of women entrepreneurship

6. Business problems encountered
7. Opinions of the respondents.

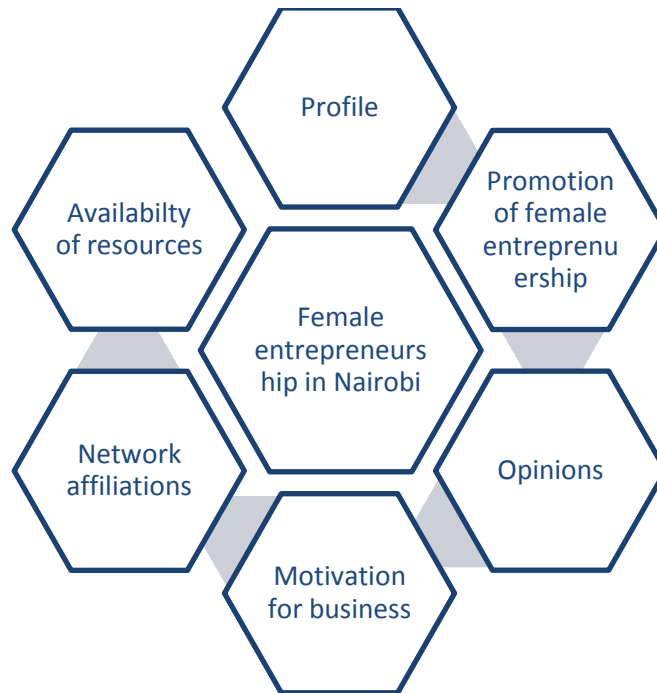


Figure 4.2 The Seven Dimensions of the Nairobi County Female Entrepreneurs

It is important to relate the variables and research questions and the items on the survey instrument. The aim is to show the reader how the researcher will use the questionnaire items. The table below, table 4.1 illustrates the variables, research questions and specific survey items.

Variables, Research Questions, and Items on Survey		
VARIABLE	RESEARCH QUESTION	ITEM ON SURVEY
Demographics	Who are they? Age, Education background and family background	Question 1, 2, 3,4
Entrepreneurship as a career option	Is entrepreneurship considered as a viable career option?	Question 5, 6,7,8
Motivation for business ownership	What are the reasons for engaging in entrepreneurship?	Questions 9, 10,12
Availability of resources	What kinds of resources in terms of Financing, networking and training needs are available for prospective and current female entrepreneurs within the Nairobi County?	Questions 18, 19
Network affiliations and Associations	Are there an existing networks and or Associations to support these women?	Question 17
Promotion of Female entrepreneurship	Is entrepreneurship promoted by educational institutions, media etc. as a viable career option?	Questions 11,13
Problems encountered	What is the nature of problems faced before, during and after the establishment of their businesses?	Questions 14, 15,16
Opinions	What kind of resources do they deem necessary to reduce the problems they face during their entrepreneurial endeavours?	Questions 20, 21, 22

Table 4.1: Variables, Research Questions, and Items on Survey

4.5 The data collection procedure

The quantitative method was used to collect data for the study. The target population of the study was women entrepreneurs and business schools students in the Nairobi County. Data base of the students was obtained from their respective schools while that of entrepreneurs was developed through the social media. The data was collected in the County of Nairobi during a period of two weeks in the month of September 2013.

The administration of the questionnaire involved three business schools, all located in the Nairobi County. The researcher sought permission and contacts of the respondents from the Deans of the respective business schools.

In order to collect the quantitative data, an online survey developed in Webropol was mailed to the respondents. The survey consisted of

1. The questionnaire titled “ Women and Business “
2. A covering letter

The Cover letter was sent (See appendix 1), together with the questionnaire (See appendix 2). The letter explained the aim of the research and the importance of the study. Copies of the cover letter and the survey questionnaire are provided in the appendices.

4.6 Data analysis

This section presents the data analysis. The data analysis is the process of bringing order, structure and meaning to the mass of collected data (Marshall and Rossmann 1995: 111). The aim of the process is to obtain meaning from the collected data.

According to Miles and Huberman (1994: 23), qualitative data is made of three components namely: data reduction, data display and data verification.

The data analysis tool used in this study was the Webropol. Webropol analyses data fast and easy. The tool also segments the respondents groups, generates

comparisons and investigates correlations between variables. The Webropol tool also generates interactive charts and graphs. (Webropol, 2013).

4.7 Response to the survey

A total of 120 usable responses were collected out of the 200 that were sent yielding a response rate of 60 per cent. A significant 40 per cent of the respondents did not participate in the survey, although the researcher invited them to participate in the survey.

One reason that could have contributed to the response rate was time factor. The data was gathered during a period of two weeks. Had it been conducted for a longer period of time, the response rate would have been higher.

The other reason was that being an internet based survey; majority of the respondents did not have access to a personal computer within the two weeks that had been assigned to collect the primary data. Most Kenyans browse through their mobile phones. For future references, it is advisable to look into surveys through the mobile phones or to have printed copies of the surveys to yield a much higher response rate.

4.8 Conclusion

In conclusion the chapter outlined the objectives of the study. This in turn led to a discussion about the research questions and research methodology.

This chapter also justified the research methodology used for the study. The research objectives of the study supported a qualitative method of data collection and analysis. This approach allowed for the exploration and investigation of a number of diverse variables to provide detailed information and understanding of the participants.

The presentation of the results and findings of the study are presented in the next chapter.

5 RESULTS & FINDINGS

This chapter presents a report of the results from the quantitative data. The findings are in relation to the 120 responses that were usable out of the 139 responses that were given. The results are presented using tables, charts and graphs with the intent of developing a pattern.

The results are presented in a structured manner according to the sequence of the questions in the questionnaire survey reflecting the dimensions of the female entrepreneurs based on the research questions (see figure 5.1). Each section of this chapter commences with an overview and a diagram illustrating the variables investigated, followed by results and findings.

The findings are discussed in relation to the theory used in the study (chapter 2) and the researchers own logic that might explain the results. The chapter concludes with a summary of findings leading to a summary of obstacles of a female entrepreneur in the Nairobi County.

To be able to effectively develop a picture of the Nairobi county women entrepreneurs and provide an understanding of them, it is important to be aware of their basic characteristics. There is substantial evidence in literature that entrepreneurial characteristics make a fundamental contribution to enterprise establishment and growth.

From this perspective, attempts have been made by several researchers in entrepreneurship literature to develop a typical profile of all women entrepreneurs.

This section therefore presents the results of the study on the personal characteristics. The variables investigated in the study, were the women's personal characteristics such as their age, marital and educational background.

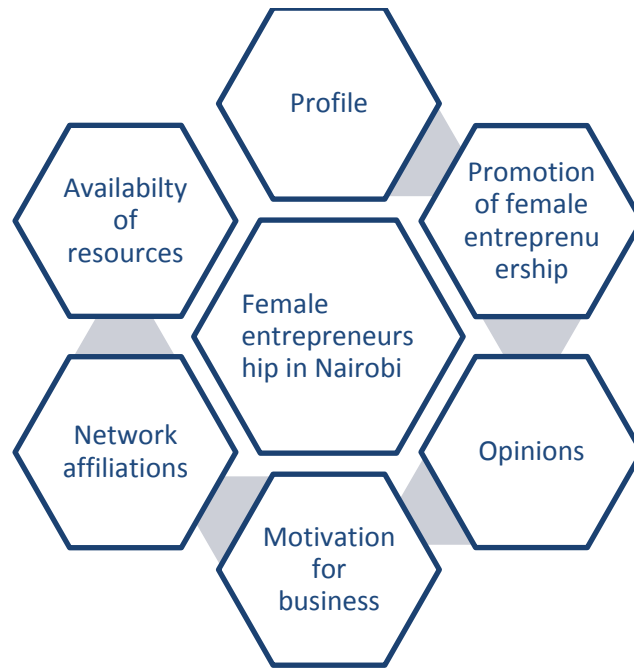


Figure 6.1 the Seven Dimensions of the Nairobi County Female Entrepreneurs

5.1 Profiles of the respondents

One of the objectives of this study was investigate the profiles of these women. In order to gain insight into the basic demographics of these women, the study includes questions about their age, education background and family background.

The women fall mainly into the economically active age groups, that is, between 21 and 60 years old. The respondents ranged in age from 21 to 60 years, with the majority of them (63 %) aged between 21 and 30. The second largest group was of the age between 31 and 40 years old (33%), others (4%) were older women aged 51 years and above.

Please indicate your age:	
21-30	62.96%
31-40	33.33%
41-50	0%
+ 51	3.7%

Table 6.1: age demographics of the respondents

As mentioned earlier in the theoretical framework, to Sarri and Trihopoulou (2005:32), noted that the female entrepreneur is usually 43 years old, and is usually older than her male counterpart and often married with children.

Nonetheless, there is a new trend towards women entering entrepreneurship at a younger age (Still et al, 2006). The results of this study support the notion that women are entering into entrepreneurship at a younger age.

Another characteristic of the respondents was their marital status. Majority of the respondents are single representing 75%. The second largest group is the married group representing 14%, separated 7% and widowed 4% respectively.

	Family status
Single	75%
Married	14.29%
Divorced	0%
Separated	7.14%
Widowed	3.57%

Table 6.2: Marital status of the respondents

The third question in survey was a question in relation to the highest educational qualification of the respondents.

About half of the respondents 50% have attained a university degree. Followed by a 25%, who have attained a college diploma, 18% with a postgraduate degree, 4% who have a polytechnic qualification and lastly a 4% who have attained a higher diploma.

	Educational Background. Your highest level of education
College	25%
Polytechnic	3.57%
University	50%
Postgraduate degree	17.86%
Other (Please specify)	3.57%

Table 6.3: Educational background of the respondents

The fourth question in the survey was to investigate the respondent's current occupation.

In response, 54% of the respondents were students enrolled in an institution of higher learning. 10% were involved in entrepreneurship and 34% were engaged in employment.

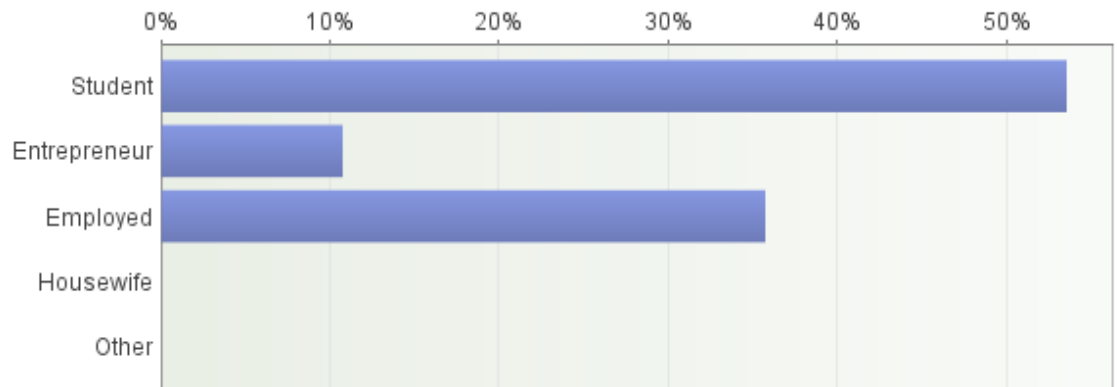


Figure 6.2: Occupation of the respondents

The fifth question in the survey was to investigate the student's immediate plan of action upon the completion of their studies. The aim of the question was to explore if the students view entrepreneurship as an option.

The responses to this question were 24% were intending to start their own businesses upon graduation. Another 24% were intending to work for a large multinational company. 19% of the respondents were planning to continue to pursue higher education. 10% of the respondents were planning on seeking employment with small and medium enterprises while another 10% in the public sector.

Another 9% of the respondents were planning to establish a business and pursue a higher education at the same time and lastly a 4% had plans to run a business that they have started full time.

The table below displays the results of the fifth question.

What are your immediate intentions after the completion of your current studies?	
Continue further with your education	19.05%
Work with a Small or Medium company and obtain a professional qualification	9.52%
Work for the public sector e.g. civil service	9.52%
Work with a large multinational company	23.81%
Start your own business	23.81%
Continue with a business that you have already started	4.76%
Other (Please specify	9.52%

Table 6.4: Intentions after graduation of the respondents

5.2 Attitudes towards entrepreneurship

One of the objectives of this study was to find out how female students feel about entrepreneurship.

The first question to investigate attitudes towards entrepreneurship was whether they viewed entrepreneurship as an attractive career option.

An overwhelming 80% of the respondents viewed entrepreneurship as an attractive career option while 20% of the respondent's viewed it as a maybe career option. None of the respondents viewed it as non-attractive career option.

Is entrepreneurship (starting your own business) is an attractive career option for you?

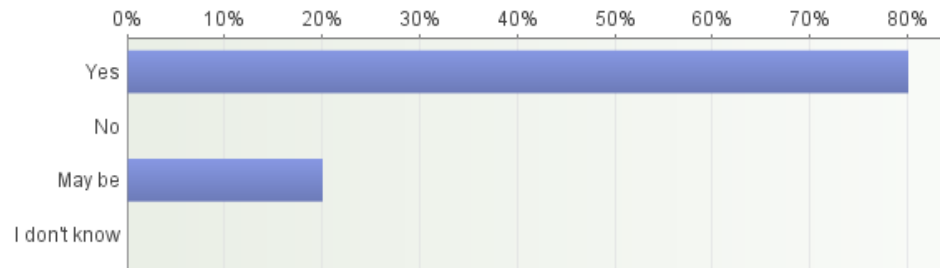


Figure 6.3: Views on starting own business

The following question was seeking to investigate whether these women had any knowledge and understanding that is necessary to establish and manage a business.

According to the results, 48% of the respondents felt that they had good knowledge and understanding for establishing and managing an enterprise. A further 38% felt that to some extent they had knowledge and understanding for establishing and managing an enterprise although it was not enough. Lastly 14% of the respondents had no knowledge whatsoever.

Do you possess good knowledge and understanding for starting and managing a business?

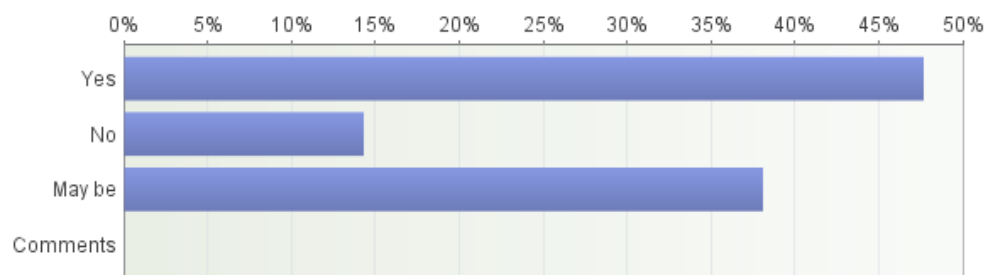


Figure 6.4: Knowledge and understanding to establish and manage a business.

In an attempt to investigate further the attitudes of these women towards entrepreneurship, the study asked the respondents if they had any intentions of starting an enterprise at some point in their lives.

All the respondents 100% do have the intentions of starting an enterprise at some point in their lives.

Do you intend to start your own business at some stage?

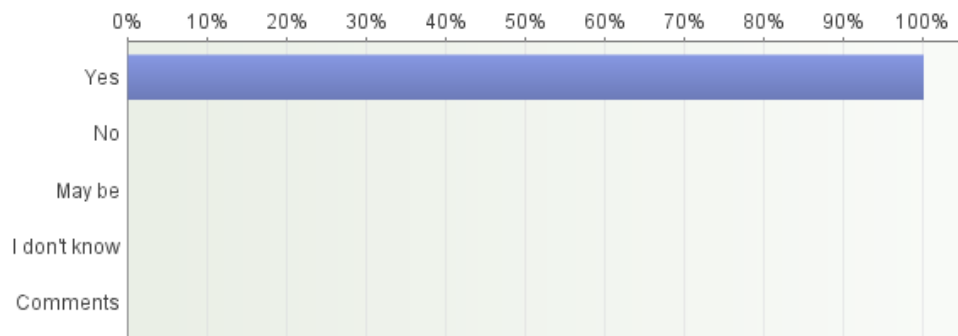


Figure 6.5: Views on starting own business later in life

5.3 Motivation for establishing an enterprise

In previous research Botha (2006:293) noted, it is important to explore the factors that motivate women to start their own businesses. This knowledge is an important aspect of the woman entrepreneur and by understanding it, it enable policy-makers to create an encouraging environment for women entrepreneurs to start their own businesses.

With regard as to why women go into business, research has identified among others reasons such as the need for independence and the desire for self-fulfillment ((Aaltio, Kyrö & Sundin, and 2008: 42).

The most frequently cited reasons are desire for independence and flexibility (Belcourt 1990: 56). This factor ranked equally with the possibility of making profit (Scott 1986:43). Ranking third was the desire to be one's own boss (Aaltio, Kyrö & Sundin, and 2008: 42).

Results from this current study indicate that the top reasons (57%) for venturing into business were: To be my own boss, it would give me self-fulfillment to own and run my business and it would enable me to make best use of my personal skills and competencies.

The second motivating factor among the respondents 48% thought that would enable them to use business idea(s).

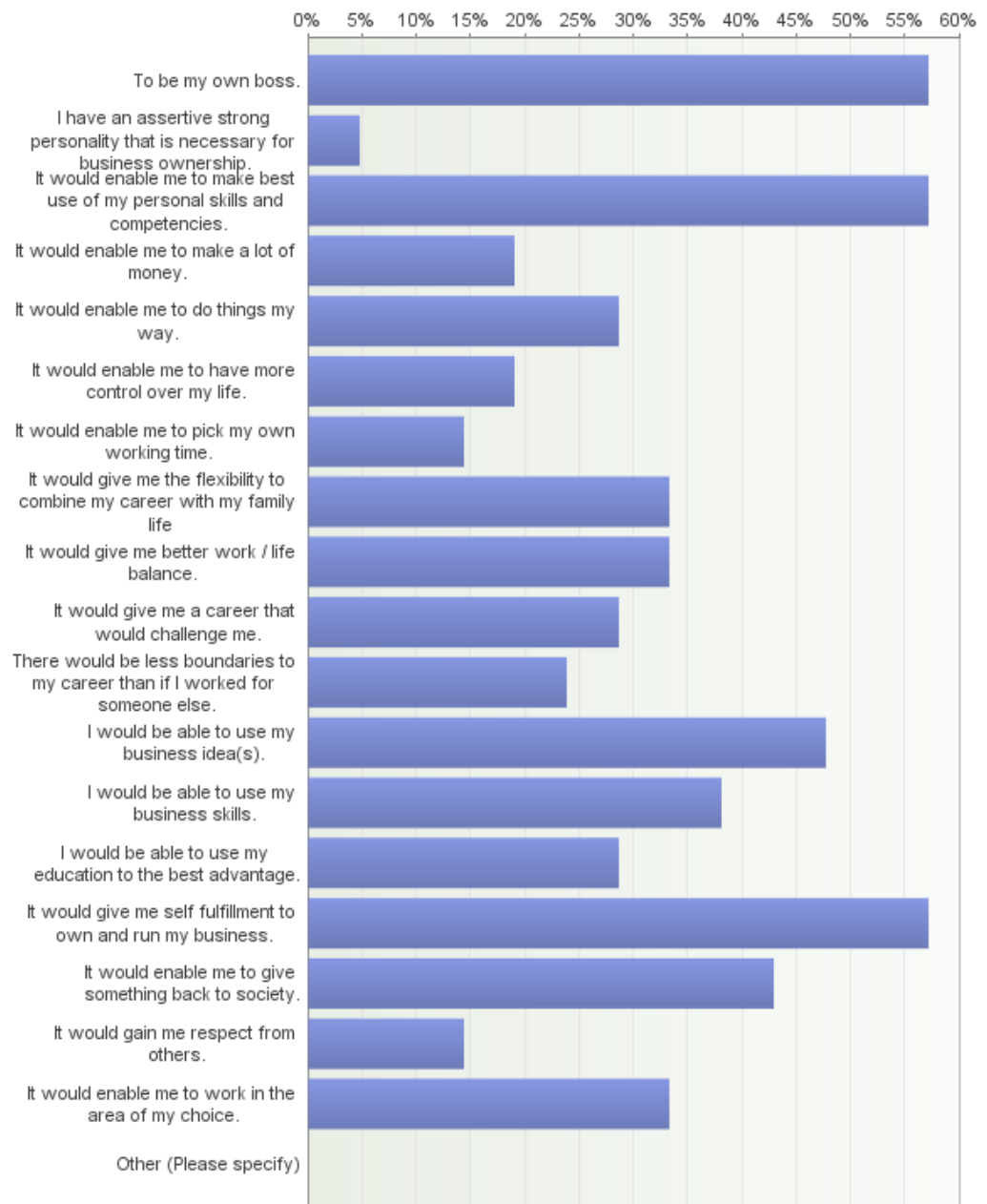


Figure 6.6: Motivations for engaging in business

33% of the respondents said that the motivating factor to establish their own business is that it would give the flexibility to combine career with family life, it

would enable them to work in the area of their choice and it would give better work / life balance.

5.4 Obstacles

Vast literature on women entrepreneurship has identified many obstacles that impede starting and developing women businesses. For instance Légaré and St-Cyr (2000) identified potential obstacles in the literature on women's entrepreneurship such as shortage of support networks, lack of time and money for training, difficulty in balancing of work and family, lack of spousal support and poor financial performance.

This study identified various obstacles that women in Nairobi county face in establishing and managing of their enterprises.

When asked what problems they faced during establishing their businesses.

Which of the following problems did you encounter when starting your business? Pick more than one option if applicable.	
Access to finance	83.33%
Getting enough customers	33.33%
Lack of self-confidence (believing in your abilities)	33.33%
Lack of entrepreneurship education	33.33%
Lack of management skills	25%
Lack of information / advice on how to start an enterprise	25%
Lack of mentoring	25%
Finding the right contacts, networks for your business venture	75%
Lack of business or strategic planning	16.67%
Combination of your role as a woman and an entrepreneur	0%
Other	0%

Table 6.5: Obstacles faced during establishing businesses

83% of the respondents cited access to finance as their biggest obstacle to entrepreneurship. Another 75% of the respondents cited finding the right contacts, networks for business venture as a big challenge.

Getting enough customers, lack of self-confidence (believing in your abilities) and lack of entrepreneurship education carried the same weight in obstacles these women face in establishing businesses.

It was interesting to note that none of the respondents viewed the dual role of being woman and an entrepreneur as an obstacle to entrepreneurship.

For existing entrepreneurs, the biggest problem was expanding their businesses. 62% of the respondents said that is their greatest challenge. The second most cited problem was getting enough customer 52%, obtaining finance 47%, lack of management skills and finally keeping up with customer contact.

What are the main obstacles you are facing now in the running of your business?

Pick more than one option if applicable

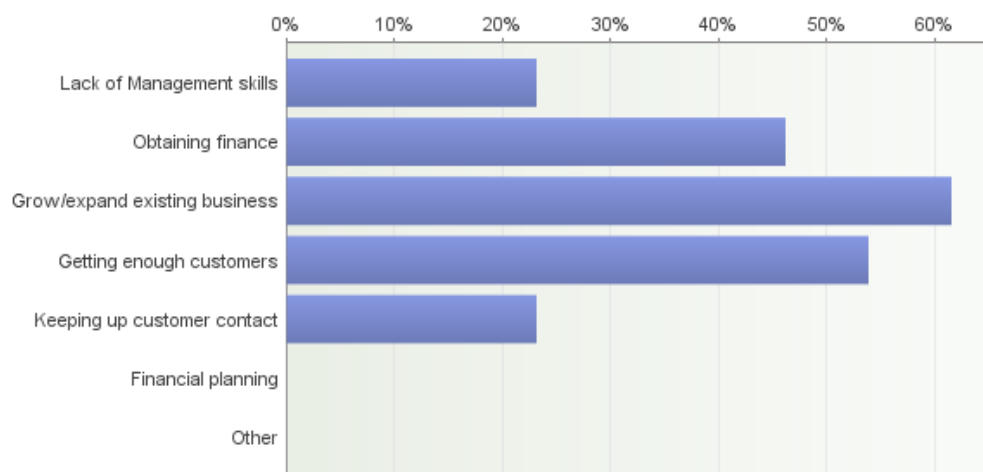


Figure 6.7: Obstacles faced in running the business

5.5 Availability of resources

What kinds of resources in terms of Financing, networking and business trainings are available for prospective and current female entrepreneurs within the Nairobi County?

Finances Lack of capital was cited to be the biggest obstacle to the respondents. Related to this was also the high cost associated with borrowing loans from banks and the stringent collateral demands.

As far as networking resources are concerned, the research findings show that, these women entrepreneurs' basic business network is the family followed by their friends in the business. 46% of the respondents felt that there is a need for a business network for women in business.

Business Training some of the respondents cited lack of business trainings as an obstacle. Since some of these women have no prior education in business, it would be necessary and logical for them to have some basic skills in managing a business.

Mentoring can support both the business and the entrepreneur to develop skills that are invaluable in getting a new business off the ground. 55% of the respondents felt that mentorship is very important to women entrepreneurs and that in Kenya such a necessary initiative is lacking.

From the women perspectives, what kind of resources do they deem necessary to reduce the problems they face during their entrepreneurial endeavors?

From the results, it was quite clear that most of respondents (58%), felt that active participation in entrepreneurship courses would be very helpful to them.

Another 58% of the respondents felt that having an experienced mentor for guidance was indeed very helpful. This is in fact supported by Carter 2000, who proposed that to overcome the possible training deficiencies of women entrepreneurs was to promote mentoring, thus allowing the owners to obtain personalized training as their firms established and developed.

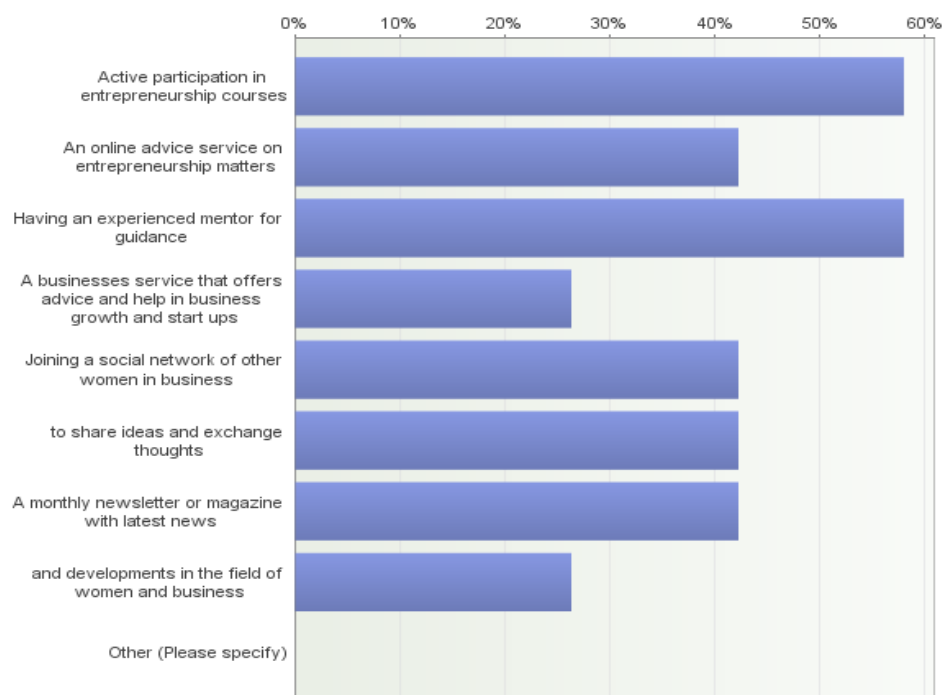


Figure 6.7: Availability of resources

5.6 Opinions

One of the objectives of this study was to explore women's thoughts and opinions on the subject of Female entrepreneurship.

The question was unstructured and open ended. The aim of this strategy was to get the women in their own words to express their opinion, feelings, wishes, and experiences on this subject.

Do you have any thoughts, opinions, wishes, experiences; you would like to share regarding this topic or your needs as a business woman?

One respondent was of the view that women shall be the driving force in the Kenyan economy in the coming 10 to 20 years.

“What a man can do a woman can do much better. Women are more accountable in business matters. Though we are comfortable in starting small and taking small risks our counterparts the males are more daring in taking greater risks thus propelling them to greater heights. Women are getting there. We shall be the driving force of our economy in the next 10-20 years or so. Let us not shy from pursuing our dreams of starting businesses”.

Another respondent was of the view that the availability of women networks both formal and informal could be of paramount importance to the community of women entrepreneurs.

A forum (formal and informal) through which women entrepreneurs could have to network with each other would be invaluable.

This point is supported in literature. Authors who have researched the networks used by women entrepreneurs agree on the fact that women tend to prefer networks composed exclusively of women (Aaltio, et al 2008:47).

Networks play a multifaceted role for women entrepreneurship and business owners in general, by helping them access advice, form partnerships, and build value chain relationships (GEM, 2004).

An additional point noted by a respondent, was the significant contribution made by women towards the process of socio-economic transformation and achievement of sustainable growth. This illustrates the necessity to involve participation of women in developing the Kenyan Economy.

“I think as far as economy of today is concerned, it is very important to empower women and encourage them to start and maintain their businesses so that they can support the society and take care of their family needs. Time is gone when men used to do everything to an extent that they are relied throughout while others don't even take it as their responsibility. Empower women with finance and watch our economy grow!”

Other respondents thought of the topic as refreshing and something new in the Kenyan society of educated women.

“It is a wonderful topic and that more women should be encourage starting their own businesses and getting all the support they need”.

“I love this”

Others pointed out the lack of interest from experienced business women to mentor, guide and support young entrepreneur women. Mentoring can support both the business and the entrepreneur to develop skills that are invaluable in getting a new business off the ground. In relation to this, some of the women respondents felt that:

“Successful businesswomen are not as willing to support upcoming businesswomen as their male counterparts”

“I wish that there were more women out there who have already successfully started their own businesses who could mentor the younger women who want to be entrepreneur”

In developed countries, governments have acknowledged the vital role mentoring programs can play in supporting new businesses and entrepreneurs and have incorporated them in their initiatives to promote entrepreneurship.

Fear of business failure and lack of self-belief in own skills and capabilities are some of the reasons that hold back prospective women entrepreneurs. The Kenyan society has a role to play in this. Institutions of higher learning, the media, and career counselors should encourage women to pursue their entrepreneurial dreams but most of all to self-belief that they are good enough to pursue and achieve any dream they set out to achieve.

I would like to encourage women in the Kenyan society to believe in themselves

In societies where women have positive attitudes and believe they have the capabilities for entrepreneurship, they are more likely to see opportunities for starting businesses. This indicates the importance of developing women's capabilities and their confidence in their abilities.

Problems encountered by women entrepreneurs in obtaining start-up funds, has attracted a lot of attention from researchers. The Women Enterprise Fund in Kenya borrowers suffers a lot of challenges such as high administrative costs related to loan acquisition, lack of loan securities and inadequate loan amounts. As one of the respondents put it:

Women should be encouraged to start their own business by encouraging banks, Saccos (Savings and Credit Co-operatives) etc. to make it easier for women to access capital and loans at a fair payment interest rates.

If access to finance was made easier to women, that would have a major impact on women businesses in Kenya.

In general, most of the respondents agreed that support from family and friends are important when starting a business, a good business support system would encourage more women to start a business, the media should encourage women to start their own business by giving positive coverage of successful woman who own their own business, female business owners are taken less seriously than male business owners, determination is a necessity in running a successful business, extra hard work is a must when you have your own business, lack of access business information on starting a business is a major obstacle and there is a lack of female role models, who own their own business.

On the same token, most of the respondents disagreed that making a profit is less important to women than men, and that a woman is less likely than a man to grow a business.

5.7 Summary of key findings

The results of the study suggest that young educated women in Nairobi County have a positive view on entrepreneurship and consider it as an attractive and viable career option.

The study also revealed the most cited motivations for engaging in entrepreneurship are to be one's own boss, to be able to use a business idea, to give one self-fulfillment to own and run one's business, to enable one to make best use of one's personal skills and competencies, give the flexibility to combine career with family life, enable them to work in the area of their choice and give better work / life balance.

However, major obstacles such as access to finance, finding the right contacts, networks for their business venture, getting enough customers, lack of self-confidence (believing in your abilities), lack of entrepreneurship education, lack of management skills, lack of information / advice on how to start an enterprise,

lack of mentoring and lack of business or strategic planning are a hindrance to entrepreneurship.

The choices of businesses made by these women are found in diverse business sectors such as consultancy, public relations, subcontracting transportation for tourism companies, exportation of agricultural products, human resource management, Insurance and Information communication and technology.

These types of businesses have potential for high growth not just locally but also internationally. However, this can only happen if these businesses can get all the support they need during the development phases of their businesses.

Additionally, this refutes the notion that women businesses cannot create ambitious businesses that have potential for high growth and can be of economic importance to the country. This also proves that women do not only operate in service orientated businesses such as beauty care and personal care.

Kenyan business women operate in an environment that is not entirely gender neutral. The macro business environment is unfriendly. These circumstances make it more difficult for women in their entrepreneurial endeavors.

6 CONCLUSION

The basis for this study was to conduct a case study of graduate women in Nairobi County to identify the obstacles they face at the start-up and development stages of their businesses with a view to produce appropriate development services.

The chapter begins with revisiting the objectives of the current research study. The attitudes towards entrepreneurship, obstacles, motivations, opinions of these women are highlighted in this chapter. The chapter continues with limitations of the study, implications of the study, recommendations for future research and suggestions aimed at addressing the obstacles faced by the women entrepreneurs in Nairobi County.

6.1 Revisiting objectives of the study

The aim of this study was to conduct a case study of graduate women in Nairobi County to identify the obstacles they face at the start-up and development stages of their businesses with a view to produce appropriate development services.

There has been very little research in graduate women's entrepreneurship in developing countries in specific Kenya and this study attempts to fill this gap in the literature.

The study tried to address this by investigating and exploring these women entrepreneurs' obstacles they face at the start-up and development stages of their businesses at the same time providing an understanding of their particular needs and pertinent issues concerning the promotion and development of their activities.

In view of this, several dimensions of the women entrepreneurs in Nairobi were investigated: their basic characteristics, motivation for business, obstacles, resources available, network affiliations, the business problems encountered in running a business and finally their opinions.

A qualitative method was used to collect data for the study.

6.2 Recommendations

Drawing from the findings, this section presents the recommendations. In order to support women to engage in entrepreneurial activities, specific initiatives need to be put in place.

Initiatives aimed at the development and promotions of comprehensive support programmes targeting women-owned enterprises in all industry sectors are very much needed. If properly designed and implemented, these recommendations would have a huge impact on improving female enterprises in Nairobi County. To facilitate women's success in their business ventures, the obstacles they face need to be well understood to be able to provide better education and support system (Winn 2004:151) . Governments can offer different forms of support such as special loans, grants, subsidies, funds, enterprise centres, entrepreneurship awards, counselling, training, advisory support, information products and web portals to women entrepreneurs (Verheul *et al.*, 2004:14).

6.2.1 Mentoring programmes

As noted earlier, by Carter 2000, that a possible avenue to overcome the possible training deficiencies of women entrepreneurs was to promote mentoring, thus allowing the owners to obtain personalized training as their firms developed.

Allen. D.W. (2000) suggested that, women were more likely to be influenced by other prosperous and successful female friends. The results of this study also revealed the desire of the majority of respondents for having a mentor who can provide one-to-one support, links to networks, both formal and informal, business experience, and business incubators.

The use of mentors has also been recommended in several OECD countries including Australia, Finland, Luxemburg and Norway, (European commission, 2004).

For example in 2002, a mentoring program initiated by the Women Enterprise Agency in Finland, was highlighted by the European Commission as the “model of best practice” in promoting women's entrepreneurship. At present, in addition

to the trainings, mentoring and networking events offered, the agency offers also piloting for start-up entrepreneurs.

Such is an example of best practice that can be transferrable to Kenyan women entrepreneurs.

6.2.2 Improved access to Finance

The entrepreneurial activities are dependent on preliminary conditions such as financing. To majority of women, lack of capital is the biggest obstacle to their entrepreneurial endeavors. This lack of resources forces them to establish much less ambitious resources that are financed from their own minimal available resources. This affects the growth prospects of the firms in the future.

Firms with more financial resources at their disposal during start-up have a higher and better growth prospects compared to firms with fewer resources. Availability of financial capital of a firm is therefore vital for firm survival and growth (OECD 2004).

With this in mind, it is crucial that the relevant financial agencies in Kenya can facilitate easier and affordable access to finances to women start-ups or women firms seeking to expand. Government guaranteed loans; less stringent collateral requirements are some ways that can enhance easier access to business loans.

6.2.3 Support for business start-ups and Growth

Business incubators are among a variety of initiatives to stimulate economic growth by promoting the creation and development of new companies. These incubators have become important and necessary agents for economic growth and job creation (Ratinho, Harms & Gröen, 2010; 8).

Incubators maximize the tenants' chances of survival by ensuring that the incubated firms develop an important level of capabilities.

Business incubators are important and necessary part of business development. If such a service was made available to would be entrepreneurs, students and

graduates, it would propel the levels of entrepreneurship. This would maximize the chances of survival, enhance the learning curve of the entrepreneur, facilitate networking with other members of the incubators and finally create some kind of assurance and self-confidence to the woman when she is ready to step out into the real world of business as she is well equipped with the necessary skills and knowledge.

Existing businesses also need support. This could happen if the businesses are fighting for survival or simply seeking to expand. The forms of support for these businesses could be in the form of consultancy, financial, research and development, import and export development, trade exhibitions, innovation or simply business management trainings.

6.2.4 Promote the development of Networking associations for Women entrepreneurs

As previously noted, networks are a major source of knowledge to women entrepreneurs. They are also believed to be key elements in supporting entrepreneurship. Policy makers must foster and support networking associations to facilitate the entrepreneurial activities of women in the Kenyan economy.

Networks provide a platform where women can meet other entrepreneurs can learn from established entrepreneurs on becoming and being an entrepreneur and more so become a more competent entrepreneur. Networks also facilitate exchange of information and contacts. Through networks, women are more likely to recognise and pursue an entrepreneurial opportunity.

The focus on this networks would be on prospective and existing entrepreneurs and could use many channels such as web based platforms, regional offices or national offices to access the women.

6.2.5 Business Training programs

For women with the intention of venturing into business with no prior business training, it is important for them to get into business training if they are to succeed.

Due to limited business background knowledge; limited managerial experience, a study concluded that women require some additional training of basic skills in business such as finances, hiring, training and business growth, decision making, increasing business value, management of change, sales management (Gundry, L.K., Ben-Yoseph, M., 2001).

As expressed by Nelson (1987), the lack of general business knowledge hinders start-up and growth of the firm. Small companies should be able to receive specific trainings customized to fit their needs at any stage of development, be it start up or expansion.

In Finland, Ladies Business School has launched such an initiative where start-ups can get specific training needs.

6.2.6 One stop information shop

Access to business information is crucial as it may present an opportunity or a risk to the business. New information can present a viable and profitable opportunity. Access to information is an advantage to women, if they are to create, manage and expand new independent firms.

In developed countries, subsidised consultancy services for would-be entrepreneurs are provided by the government authorities. Also comprehensive information on setting up a business is available in booklets, websites and brochures provided by the government.

Limited access to appropriate technologies and lack of technical skills have been recognized as obstacles facing women entrepreneurs in small and medium size sector in most developing countries (Buame 2000: Steel and Webster 1990).

Women entrepreneurs have been found to have problems in accessing the technological and economic information which is essential for survival and maintaining competitiveness of their businesses. It has also been pointed out that the reasons behind this could be that, women entrepreneurs are unable to access this information perhaps due to a limited of time and skills.

As Drucker (1969, ix) said, that knowledge and competency are the only meaningful resources.

6.2.7 Support for entrepreneurship through education

Entrepreneurship can be supported through education. Entrepreneurial competences of the students can be enhanced through entrepreneurial education. From this group of students, a proportion may well go on to set up their own businesses, though all will be better equipped to respond to the growing necessity for adaptability in the labour market.

Entrepreneurship education will also contribute to a general development of greater understanding of business and of entrepreneurs and of more positive attitudes to entrepreneurship.

Entrepreneurship education is a broad agenda. Significant effort is required by policy makers at all levels to understand it and convert it into realistic policies and practice.

6.3 Limitations of the study

Just like any research, there are a number of limitations associated with this study. In its essence, this study was about Female Entrepreneurship in Nairobi. Consequently, this study was limited to female entrepreneurship and did not examine the male entrepreneurial conditions even though the male entrepreneurs might face more or less constraints.

Another the key limitation of the study was time. Due to the urgency in keeping up with schedule, the researcher had only two weeks to collect the necessary data.

An additional limitation of the study is the locale of the sample of the study is also restricted to the regional capital, the Nairobi County.

The findings in the study are also limited by the degree to which the respondents were honest and without bias in responding to the survey.

Hart (1987:28) observes that, response rates in business surveys vary from 17 percent to 60 percent, averaging at 36 percent. Therefore the response rate of 60 per cent was acceptable for a survey. In the context of this study, it can be deduced that a larger sample size and high response rate lowers the likelihood of error in generalizing the results from the sample to the population (Neuman 2006: 118).

6.4 Research implications

Policy makers, academics and researchers specializing in the area of female entrepreneurship should find this research valuable. This study adds new knowledge to the under researched subject matter in a developing country context. This research should also have an impact on the nature of the entrepreneurial courses offered to students in Kenya.

Although this research has shown that the educated women in Nairobi view entrepreneurship in a positive light and that they would consider starting a business at some point in their lives, the respondents expressed some constraints that could pose as major hindrance to their entrepreneurial endeavors. With these constraints in mind, enterprise support agencies and policy makers could benefit from this study. They could design and implement appropriate support systems specifically aimed at educated women in Kenya and actively increasing awareness of their availability.

These results of this study should be of most importance to policy makers as many of the findings have specific implications for the current business environment in which the women operate in and the nature of entrepreneurship studies offered.

These two areas are in dire need of some intervention aimed at creating a more conducive environment as well as business savvy graduates.

This study highlights the problems and challenges educated female entrepreneurs face while establishing and developing their businesses. This consequently creates awareness of the perceived challenges, this study also creates awareness that these young educated women have positive perceptions on entrepreneurship and consider it as a viable and attractive career option. Therefore, they should be encouraged to pursue entrepreneurship and in doing that contribute to job creation and development of the economy of Kenya.

By highlighting these factors, it is hoped that a female entrepreneur can be encouraged to pursue entrepreneurship in an environment where these challenges have been addressed thus making entrepreneurship not only a successful career option but also an attractive one.

6.5 Recommendations for further studies

Statistics show that the female population Kenya is slightly higher than the male population in all the age groups and accounts for 51 per cent of the total population (Census 2009). Kenyan women entrepreneurs can contribute positively to the economy of the country through job creation, poverty reduction and innovation.

This study generated 120 usable responses within a time frame of two weeks. This proves that there is quite an interest in the topic, one that researchers in this field of women entrepreneurship should pay more attention to.

Future research should be done to contribute to increasing awareness on the roles that women entrepreneurs in developing economies make. This awareness will boost self-esteem, image and perceptions of a female entrepreneur in developing world. The great potential and valuable socio-economic contribution made by these women to the development of their communities and country will be brought into the limelight and properly valued.

Plenty of evidence in literature has shown that research into female entrepreneurship has received much less attention than research on entrepreneurship in general. Research on female entrepreneurship is limited in developing countries in comparison to developed countries. Therefore, it is important that more research is conducted to better understand female entrepreneurs as they are a homogenous group. By better understanding them, better policies can be made to help to develop the full potential of women entrepreneurs.

Business start-ups and growth, business success depends heavily on opportunity structure and the government and institutional regulatory structures that provide ideally the optimal economic and business conditions (Kloosterman & Rath 2001). There is a need for future research into the structures governments and other stakeholders in Kenya have put in place to create a favorable business environment for these women entrepreneurs. In addition, an additional study on the effectiveness of these measures for women entrepreneurs.

This study tried to contribute knowledge to the female entrepreneurship literature in Kenya as a whole. The study explored and highlighted issues, experiences, characteristics, motivations, problems that are unique to the Nairobi female entrepreneurial experience. Further research can continue to improve the understanding of women's entrepreneurship. Such studies are particularly necessary to Kenya.

7 SUMMARY

Female entrepreneurship is a growing, dynamic and necessary force in the Kenyan economy. Women entrepreneurs are contributing to the social-economic prosperity of a nation through job creation in various economic sectors, reducing levels of poverty and unemployment.

Berger et al (1998:613) and Radovic (2007:1) stated that, small and medium businesses provide the engine for economic growth for many countries.

Understanding how small and medium businesses grow is an important issue. Investment in female entrepreneurship is an avenue for a country to gradually accelerate the impact of new venture creation. The business case for developing and promoting women's entrepreneurship is indisputable.

The study tried to address this by investigating and exploring these women entrepreneurs' obstacles they face at the start-up and development stages of their businesses at the same time providing an understanding of their particular needs and pertinent issues concerning the promotion and development of their activities. The results of the study identified the major obstacles to entrepreneurship for these women. The obstacles are access to finance, finding the right contacts, networks for business venture, getting enough customers, lack of self-confidence (believing in your abilities), lack of entrepreneurship education, lack of management skills, lack of information or advice on how to start an enterprise, lack of mentoring and lastly lack of business or strategic planning in order of importance.

The graduate women entrepreneurs in Kenya are the emerging new faces of entrepreneurship from a developing country context. These women are setting their own pace and securing their own place in the female entrepreneurship history and literature. This topic is an important and interesting one at that and it deserves much more attention from scholars, the media, and policy makers.

Better policies and initiatives need to be developed in order to create a more favourable environment and to help to gain the full potential of these educated women entrepreneurs in Kenya and as a consequence contribute to the economic prosperity of Kenya.

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APPENDICES

APPENDIX 1 a COVER LETTER

September 16, 2013

Dear Sir /Madam,

I am a Master of Business Administration Student at the Lahti University of Applied Sciences in Finland, and I am conducting research about graduate Female entrepreneurs in Nairobi. I am writing to request for access to the students for them to participate in the survey. I would be grateful if you could kindly for your assistance.

In a snap shot, the aim of the survey is to explore if the undergraduate women:

1. Consider entrepreneurship as viable career option.
2. The perceived motivations for entrepreneurship.
3. The perceived barriers of for not entering into entrepreneurship
4. The general attitudes towards entrepreneurship and lastly
5. Possible ways in which students can be encouraged and supported to embrace entrepreneurship.

The survey is part of an important academic research project. By completing it, the students will be helping in making a significant contribution to knowledge about graduate women entrepreneurs in Kenya, and bringing into attention the necessary support mechanisms needed to facilitate and promote these graduates into entrepreneurship.

Thank you so much for your assistance.

Yours sincerely

Mercy Ngare.

APPENDIX 1b Women in Business Survey

This is a survey on – Graduate Women Entrepreneurship – Obstacles & Needs” and in this context framed the following questionnaire. Your responses are very valuable & will be meaningful for this study. Thank you for your participation.

1. Please indicate your age:

- ☐ 21-30
- ☐ 31-40
- ☐ 41-50
- ☐ + 51

2. Family status

- ☐ Single
- ☐ Married
- ☐ Divorced
- ☐ Separated
- ☐ Widowed

3. Educational Background. Your highest level of education

- ☐ College
- ☐ Polytechnic
- ☐ University
- ☐ Postgraduate degree
- ☐ Other (Please specify_____)

4. Current occupation

- ☐ Student
- ☐ Entrepreneur
- ☐ Employed
- ☐ Housewife
- ☐ Other_____

QUESTIONS 5-13 ARE FOR STUDENTS ONLY

5. What are your immediate intentions after the completion of your current studies?

- ☐ Continue further with your education
- ☐ Work with a Small or Medium company and obtain a professional qualification
- ☐ Work for the public sector e.g. civil service
- ☐ Work with a large multinational company
- ☐ Start your own business
- ☐ Continue with a business that you have already started
- ☐ Other (Please specify_____)

6. Is entrepreneurship (starting your own business) is an attractive career option for you?

- ☐ Yes
- ☐ No
- ☐ May be
- ☐ I don't know

7. Do you possess good knowledge and understanding for starting and managing a business?

- ☐ Yes
- ☐ No
- ☐ May be
- ☐ Comments_____

8. Do you intend to start your own business at some stage?

- ☐ Yes
- ☐ No
- ☐ May be
- ☐ I don't know
- ☐ Comments_____

9. What would your reasons be for starting your own business? Pick more than one option if applicable.

- ☐ To be my own boss.
- ☐ I have an assertive strong personality that is necessary for business ownership.
- ☐ It would enable me to make best use of my personal skills and competencies.
- ☐ It would enable me to make a lot of money.
- ☐ It would enable me to do things my way.
- ☐ It would enable me to have more control over my life.
- ☐ It would enable me to pick my own working time.
- ☐ It would give me the flexibility to combine my career with my family life
- ☐ It would give me better work / life balance.
- ☐ It would give me a career that would challenge me.
- ☐ There would be fewer boundaries to my career than if I worked for someone else.
- ☐ I would be able to use my business idea(s).
- ☐ I would be able to use my business skills.
- ☐ I would be able to use my education to the best advantage.
- ☐ It would give me self-fulfillment to own and run my business.

- ☐ It would enable me to give something back to society.
- ☐ It would gain me respect from others.
- ☐ It would enable me to work in the area of my choice.
- ☐ Other (Please specify)_____

10. 10. If you would start your own business, what type of business would you like to start and why?

11. If you were to start your own business, whom would you consider as your greatest influences in the encouragement or discouragement of starting your own business? Pick more than one option if applicable.

- ☐ Parents & Family
- ☐ Educational System
- ☐ Career Advisers
- ☐ Friends
- ☐ Entrepreneurs that you know
- ☐ Media (TV, Radio, Internet)
- ☐ Coverage of women in businesses & business people.
- ☐ Other (Please specify)_____

12. If you do NOT want to start your own business, what could be the reasons? Pick more than one option if applicable

- ☐ The responsibility of running a business is too difficult.
- ☐ I would find the pressure too stressful.
- ☐ I do not have the personal skills and competencies necessary.
- ☐ Too much requirements e.g legal regulations required when running a business.
- ☐ Lack of potential in the Kenyan markets for my business
- ☐ I am afraid of running into debt.
- ☐ It would take up too much of my time.
- ☐ It would be easier to work for someone else.
- ☐ I don't have a good business idea.
- ☐ I do not have the relevant experience needed to run a business.
- ☐ I don't have the business skills required to run a business.
- ☐ I would be afraid of the lack of a secure income.
- ☐ I would have to work too hard.
- ☐ It could take over my life.
- ☐ Difficulty in running a business due to family commitments.
- ☐ Entrepreneurship does not have the same status or respect as other careers.
- ☐ I would be afraid that my business would fail.
- ☐ It would be too difficult to obtain the finance necessary.
- ☐ The educational area that I studied is not suitable to start a business in.
- ☐ I do not have the contact or networks necessary to start a business.
- ☐ I do not know how to access business information or support structures.
- ☐ The educational system does not encourage starting your own business.
- ☐ Other (Please specify)_____

13. What can be done to encourage you towards entrepreneurship?

- ☐ Nothing, I am just not interested
- ☐ Easier access to capital
- ☐ Business training in managing a business
- ☐ Advisory services on establishing a business
- ☐ Consultancy services
- ☐ Other_____

QUESTIONS 14-20 ARE FOR ENTREPRENEURS ONLY!

14. What made you start your own business? (you can check more than one answer)

- ☐ To be my own boss.
- ☐ To would enable me to make best use of my personal skills and competencies.
- ☐ To make a lot of money.
- ☐ To do things my way.
- ☐ To have more control over my life.
- ☐ To be able to pick my own working time.
- ☐ For flexibility i.e to combine my career with my family life
- ☐ For a better work / life balance.
- ☐ For a career that would challenge me.
- ☐ There would be fewer boundaries to my career than if I worked for someone else.
- ☐ To be able to use my business idea(s).
- ☐ To be able to use my business skills.
- ☐ To be able to use my education to the best advantage.
- ☐ It would give me self-fulfillment to own and run my business.
- ☐ It would enable me to give something back to society.
- ☐ It would gain me respect from others.
- ☐ It would enable me to work in the area of my choice.
- ☐ Other (Please specify)_____

15. Which of the following problems did you encounter when starting your business?

Pick more than one option if applicable.

- ☐ Access to finance
- ☐ Getting enough customers
- ☐ Lack of self-confidence (believing in your abilities)

- ☐ Lack of entrepreneurship education
- ☐ Lack of management skills
- ☐ Lack of information / advice on how to start an enterprise
- ☐ Lack of mentoring
- ☐ Finding the right contacts, networks for your business venture
- ☐ Lack of business or strategic planning
- ☐ Combination of your role as a woman and an entrepreneur
- ☐ Other_____

16. What are the main obstacles you are facing now in the running of your business?

Pick more than one option if applicable.

- ☐ Lack of Management skills
- ☐ Obtaining finance
- ☐ Grow/expand existing business
- ☐ Getting enough customers
- ☐ Keeping up customer contact
- ☐ Financial planning
- ☐ Othe_____

17. Which of the following resources are available for you and your business? Pick more than one option if applicable.

- ☐ Financial resources
- ☐ Business training i.e courses in business management
- ☐ Women business networks
- ☐ Mentoring
- ☐ Business development services
- ☐ Other_____

18. Which of the following advisors or consultants have you used or would like to use for your business in the future?

- ☐ Mentor
- ☐ Lawyer
- ☐ Accountant
- ☐ Marketing consultant
- ☐ General business advisor
- ☐ Other_____

19. Do you have a specified 'mentor/s' or role model who provides you with support, Knowledge and guidance?

- ☐ Yes
- ☐ No

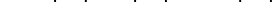
20. Would you be interested in:

- ☐ Active participation in entrepreneurship courses
- ☐ An online advice service on entrepreneurship matters
- ☐ Having an experienced mentor for guidance
- ☐ A businesses service that offers advice and help in business growth and start ups
- ☐ Joining a social network of other women in business to share ideas and exchange thoughts
- ☐ A monthly newsletter or magazine with latest news
- ☐ and developments in the field of women and business
- ☐ Other (Please specify)_____

21. All respondents. Please tick the response that best describes your reaction to each of the following statements

[illegible]

Making a profit is less important to women than men.



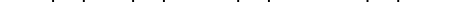
A female business owner
thinks customer service is
more important than making a
profit.

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A female business owner
thinks quality of work is more
important than making a
profit.

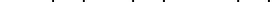


A woman thinks life/work balance is more important than making a profit



A woman is less likely than a man to grow a business.


Women are less likely than a man to start a high growth company.



A good business support system would encourage more women to start a business.

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Lack of access business information on starting a business is a major obstacle



Support from family and friends is important when starting a business.

There is a lack of female role models, who own their own business.

☐☐☐☐☐☐

Society in general encourages women to start their own business.

☐☐☐☐☐☐

The media should encourage women to start their own business by giving positive coverage of successful woman who own their own business

☐☐☐☐☐☐

22. Do you have any thoughts, opinions, wishes, experiences; you would like to share regarding this topic or your needs as a business woman?
