

INFLUENCE OF KNOWLEDGE AND SKILL GAP ON PERFORMANCE OF WOMEN FUNDED BUSINESSES (WFB) IN SABOTI SUB-COUNTY, KENYA

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Abstract: Globally, Women's involvement in Businesses is applauded as a necessary precursor to economic growth of nations. Women in developed countries have access to capital and the acceptance of women as business owners has improved. However, women in developing countries do face obstacles such as lack of access to finance. The purpose of this study is to investigate knowledge and skill gap influencing performance of women funded businesses in Saboti Sub- County. This study was guided by the following research objectives: To determine how women personal characteristics and women experience in business influence the performance of women funded businesses, This study used a descriptive design with a target population of 1262 registered women groups since 2014 in Saboti Sub-county, a sample of the study. Data was collected using questionnaires administered to sample of women Businesses. Interviews were conducted to officers from the department of Gender and Social Development in the same sub-county. Quantitative data was analyzed using descriptive statistics techniques with the aid of SPSS. The findings of the study indicate that, knowledge and skills influence women performance in business as demonstrated by 93.8% response to the research questions on the variable. It was recommended that the Department of Gender and Social Development in collaboration with civil rights groups should sensitize, educate and train the society to stop stigma, discrimination, and outdated practices that hinder women from enhancing performance of WFB.

Keywords: knowledge, skill gap, performance, women businesses, influence.

1. INTRODUCTION

According to Carter et al., (2001) women business owners contribute £50-70 billion in gross value added to the UK economy each year. This figure does not include the contribution of women business owners in large businesses, women's unpaid contributions, such as caring or the contributions made in businesses where the owner is male but which is a partnership.

In Africa most women owned enterprises especially MSEs encounter challenges of nurturing their businesses and promoting the tradition of innovation and entrepreneurship. OECD & Wube (2010) observed that this could be associated with the existing business environment which is faced with forces of complex socio-cultural, economic and technological factors creating complex challenges for the owners of small businesses in Africa (Felicia, 2013). This has led women to make tradeoffs between tradition and the kind of business activities to undertake. For instance, most women in Tanzania tend to undertake business activities that are in harmony with their traditional roles which happen to be least profitable (Tundui, 2012). In addition, Felicia (2013) specified that, social and cultural values and beliefs regarding entrepreneurship have an important influence on motivational antecedents of entrepreneurial intention and business performance.

Many factors have been blamed for the under-representation of women project business owners among them being socialization and lack of motivation when considering entrepreneurship as a career choice. Women entrepreneurs in projects in developed countries enjoy many advantages over those in developing countries. They have access to greater support from women mentors and role models and easier access to formal training in the principles of business planning and organization (Tsfayohannes, 2012). Similarly, Tyson and Petrin (1994) emphasize that women in developed countries have access to capital and the acceptance of women as business owners has improved, whereas women in developing countries do face obstacles such as lack of access to education and finance.

Women entrepreneurs in projects are among the fastest growing groups of business owners in Kenya today. The number of women starting and owning businesses has increased drastically over the last few decades, furthermore the types of businesses women tend to own are changing (Kyalo, Gichira, Waititu & Ragui, 2013). Women owned enterprises are making a significant contribution to the Kenyan economy, accounting for 20% of Kenya's GDP. Of the 462,000 jobs created annually since 2000 in Kenya, 445,000 jobs have emanated from the informal sector, where 85% of women's businesses are found. In recognizing the importance of women entrepreneurs in creating a vibrant and dynamic economy for the nation, the Kenya Government has been actively promoting women entrepreneurship towards realizing Kenya's Vision 2030.

In Kenya, women owned businesses account for over 48% of all small businesses (ILO, 2008). Stevenson and St-Onge (2005) asserts that there are three profiles of women entrepreneurs operating small businesses in Kenya namely; Jua Kali microenterprises, very small micro enterprises and Small and Medium enterprises. These are differentiated by their demographic profiles, extent of previous business experience, needs, access to resources and growth orientation. The bulk of women entrepreneurs in Kenya operate enterprises associated with traditional women's roles such as, hairstyling, restaurants, hotels, retail and wholesale outlets (ILO, 2008).

Statement of the Problem

It is notable that, Women are becoming increasingly important in the socio-economic development as they account for a significant percent of the operators of Micro and Small businesses. Micro enterprise is particularly important to women because it provides opportunity for self-employment, economic development, income generation and poverty alleviation. However, despite the efforts made by the government, most women businesses perform dismissally, some are closing down. This study seeks to assess social-cultural attributes influencing performance of women businesses in Saboti Sub-County, Trans Nzoia County, Kenya.

Purpose of the Study

The study investigated knowledge and skills influencing performance of women funded businesses in Saboti Sub County, Kenya.

Research Objectives

The study was guided by the following objectives:

- i) To determine how personal characteristics influence performance of the Women funded businesses in Saboti Sub-county.
- ii) To establish how women experience influence performance of Women funded businesses in Saboti Sub-county.

Research Questions

This study attempted to answer the following specific questions:

- i) How does personal characteristics influence performance of the Women funded businesses in Saboti Sub-county?
- ii) How does women experience in business influence performance of Women funded businesses in Saboti Sub-county?

Significance of the Study

The findings of the study provide information that may guide women investors in initiating projects and creation of surplus. Additionally the findings inform women entrepreneurs on how to deal with funding. The study creates insight among women entrepreneurs in projects on mechanism of risk management. The finding of the study fills the information gaps on socio-cultural attributes of women projects performance in Saboti Kenya.

Delimitations of the study

The study selected a sample of women business from Saboti Sub-county. Women not engaged in businesses did not participate in the study even if they had information that could be useful in the study.

Limitations of the Study

The study encountered challenges on data collection due to respondents not willing to disclose information on the status of the business status. Subsequently the research established a rapport and assured the respondents of the confidentiality hence making them freely participate.

2. LITERATURE REVIEW**Personal characteristics and performance of WFB**

In the context of this study the researcher perceive Personal characteristics of the women entrepreneurs as psychological and non-psychological traits that influence women entrepreneurs in accessing women enterprise Fund and performance their enterprises. Accessibility of Women Enterprise Fund among small and Micro Women Enterprise Owners in Studies on relationship between successful entrepreneurs and less successful ones has also found that SME owner/managers with more managerial, sector experience or prior SME experience as owner/manager tend to correlate with greater growth. Administrative problems have been cited as a major cause of failure for small businesses (Quinn and Zein, 2007).

According to Stevens (2007), many MSEs Owners or managers lack managerial training and experience. The typical owners or MSE managers of small businesses develop their own approach to management, through a process of trial and error. As a result, their management style is likely to be more intuitive than analytical, more concerned with day-to-day operations.

According to Verheul & Thurik, (2016) female entrepreneurs are more likely to have less experience with financial management and they spend less time networking which may deprive them of important information concerning acquisition of finance.

Kipkorir K.A. & Otieno, M. (2016), observe that literacy level of women entrepreneurs affects identification of their business ideas, entrepreneurial opportunities, entrepreneurial skills and organization of enterprises which are very critical in the accessibility of WEF .

Women experience and performance of WFB

The study perceive women enterprise experience as first time entrepreneurs, length in business, number of businesses and number of loan applying. Mbai & Kimani (2016) found that majority of the past beneficiaries had not borrowed before as a group and have not been able to borrow again from the constituency women enterprise scheme. The study further discovered that prior negative experience with loan institutions and fear of unknown in business environment impacted on the choice of entrepreneurs to take loans from women enterprise fund in Kisii Town.

A study by Solley (2005) revealed that poor recordkeeping and a lack of basic business management experience and skills were major contributors to poor performance in the businesses. Use the traditional ways of marketing and these no longer give rise to high levels of revenue and product recognition. This factor has also been identified by Burns (1996) in his survey in UK and Nigeria.

3. RESEARCH METHODOLOGY**Research Design**

A descriptive survey research design was used in the study. A survey is a process of collecting data from existing population units with no particular control over factors that may affect the population characteristics of interest in the study (Mugenda & Mugenda, 2004). A descriptive research determines and reports the way things are. The design is chosen because the study does not purpose to manipulate variables but to describe things as they are at the time of the study. Therefore, the research design is appropriate in establishing the knowledge and skills gap that influence the performance of women Funded business in Saboti Sub-County.

Target Population

The study targets 1,262 women involved in businesses throughout Saboti sub-county and registered under sub-county Social Development Department.

Sample Size and Sampling Procedures

Mugenda and Mugenda (2004) recommend that before determination of a sample, a sampling frame is required. The authors define a sampling frame as a list of units or elements from which sampling units are selected for observation in the study. The sampling frame shows a list of woman enterprise per ward in Sabot Sub-county that had benefited from Women Enterprise Fund at Trans Nzoia County (2017).

The sample size for this study was determined using (Mora & Kloet, 2010) formula for finite population as follows;

$$n = \frac{N}{(1 + Ne^2)}$$

Where,

n = the sample size

N = the size of population

e = the error of 5 percentage points

$$n = \frac{1262}{(1 + 1262 \times 0.05^2)} = 304$$

Data Collection Instrument

Data collection instrument refer the tools used to collect data from the research respondents (Kothari, 2004). Questionnaires and interview schedules were used to solicit data from the respondents which is the primary method of collecting data. This method is valuable in that the respondents are not limited to giving specific or fixed answers and the interviews would cover a wide range of issues, thus minimizing the possibility of 'missing out' on an important subject during the interview time (Langdrige, 2004).

Validity of the Research Instrument

Validity of a research instrument is the extent to which the questions provide a true measure of what they are designed to measure (Orodho, 2004). When a test has content validity, the items on the test represent the entire range of possible items the test should cover. To test validity, the researcher sought expert interpretation prior to piloting the instrument.

Reliability of the Research Instrument

According to Mugenda (2008), reliability is a measure of the degree to which a research instrument yields consistent data or results after repeated trials. The test- retest technique was used to assess the reliability of data. The reliability of 0.7 obtained demonstrated that the instrument could uphold consisted results.

Data Collection Procedures

The questionnaires were administered to the respondents by the researcher, and with the help of two (2) research assistants. The questionnaires were filled by all the respondents and where the respondents was illiterate, the research assistants administered an interview schedule instead.

Data Analysis Technique

Raw data collected using questionnaires was entered in SPSS software and thereafter analyzed where descriptive statistical findings that feature frequencies and percentages were presented in tables. Data collected using interview schedule was summarized and organized in themes and sub-themes in a technique called thematic analysis where themes, which referred to research objectives and sub-themes that referred to indicators were presented in tables.

4. FINDINGS AND DISCUSSION

Descriptive Findings Related to Research Questions

This section presents descriptive findings related to each research objective. Views from respondents relative to each indicator regarding every objective are presented in this section.

Personal characteristics of women and Performance of WFB**Table 1: Personal characteristics and performance of WFB**

RA Statements	Strongly agree		Agree		Undecided		Disagree		Strongly disagree		RANK
	F	%	F	%	F	%	F	%	F	%	
	The higher the level of education of a woman the higher the performance of WBFP	164	53.9	72	23.7	21	6.9	19	6.3	28	
Mature women in terms of age usually perform better than young counterparts in enhancing WBFP	185	60.9	82	27.0	15	4.9	22	7.2	0	0.0	1
The occupation of a woman influences performance of WFB	174	57.2	72	23.7	15	4.9	43	14.1	0	0.0	2

In the findings presented in table 7, 164 respondents accounting for 53.9% and 72 (23.7%) strongly agreed and agreed respectively that women with higher levels of education perform better in WFB compared to illiterate women. Contrary that, 28 (9.2%) and 19 (6.3%) disagreed and strongly disagreed respectively that women with higher levels of education perform better in WFB compared to those who have not scaled high academic levels. Differently, 21 (6.9%) respondents gave neutral views regarding the level of education among women engaged in WBFP and performance of such enterprises.

In the same table 7, 185 (60.9%) and 82 (27.0%) of the respondents strongly agreed and agreed respectively that mature women in terms of age perform better than their young counterparts in enhancing WFB. This implied that young women possibly lacked experience and commitment to development of WFB and therefore the majority mismanaged them once initiated or given a chance. Relatively, 22 (7.2%) respondents disagreed that mature women in terms of age perform better than their young counterparts in enhancing WFB. Giving different views from others, 15 (4.9%) respondents were undecided on the fact that mature women in terms of age perform better than their young counterparts in enhancing WFB. Their failure to either agree or disagree might be contributed to lack of information regarding the relationship between maturity in terms of age and performance of WFB.

Out of 304 respondents that took part in the study, 174 (57.2%) and 72 (23.7%) strongly agreed and agreed respectively that the occupation of a woman largely influenced performance of WFB. Contrary to that, 43 (14.1%) disagreed that the occupation of a woman largely influenced performance of WFB. Giving different views, a group of 15 (4.9%) respondents were undecided on the statement that the occupation of a woman largely influenced performance of WFB. From this finding, it implied that women in given occupations were advantaged in enhancing WFB compared to women in other occupations.

Women experience in business and performance of WFB**Table 2: Women experience in business and performance WFB**

Statements	Very great extent		Great extent		Moderate extent		Low extent		No extent at al		RANKS
	F	%	F	%	F	%	F	%	F	%	
	Information acquired on loan products and other related services influence performance of WFB	185	60.9	82	27.0	15	4.9	22	7.2	0	
Training a woman on enterprise development and project management influence performance of WFB	210	69.1	75	24.7	19	6.3	0	0.0	0	0.0	1
Attitudes, perceptions and culture of fellow business mates influence performance of WFB	151	49.7	69	22.7	24	7.9	60	19.7	0	0.0	3
Number of times secured loans from WEF influence performance of WFB	12	3.9	10	3.3	32	10.5	84	27.6	166	54.6	4

In the findings presented in table 8, 185 (60.9%) of the respondents indicated that there was a very great extent to which information acquired on loan products and others related financial services influenced performance of Women Funded Businesses. Giving almost the same views, 82 (27.0%) of the respondents stated that there was a great extent to which information acquired on loan products and others related financial services influenced performance of WFB. Further, 15 (4.9%), and 22 (7.2%) respondents stated that there was a moderate and low extent respectively to which information acquired on loan products and others related financial services influenced performance of Women Funded Business. This finding implied that information acquired on loan products and related financial services largely influenced the ability of women to perform well in their respective business funded by Government.

Regarding training of women and their influence on WFB, 210 (69.1%) and 75 (24.7%) indicated that there was a very great extent and great extent respectively to which training women influenced performance of WFB. Out of 304 respondents, 19 respondents who represented 6.3% stated that there was a moderate extent to which training women influenced performance of WFB. In this case, it implied that trained project management and business management performed better in managing Business funded by women-enterprise funds.

5. DISCUSSION OF FINDINGS

This section presents a detailed analysis of both quantitative and qualitative data presented in the previous section. Findings from scholarly reviews, journals and other publications is compared with the quantitative and qualitative findings of the study.

Personal characteristics of women and Performance of WFB

From the findings presented in table 7, majority of respondents, 236 (77.6%) indicated that higher academic qualification among women influenced high performance among women who engaged in WFB. However, in the findings revealed by this study, 250 respondents representing 82.3% (see, table 4) indicated that they attained secondary level of education and below implying that they only had basic education, which could not enhance management of enterprises and projects. In terms of age, it was established that mature women performed better than teenage women in WFB, this is according to 267 (87.9%) respondents. Sometimes the agility and passion needed to manage businesses or projects is not determined by a woman's age.

In the findings observed in this study, 246 (80.9%) were for the view that occupation of a woman determined the performance of WFB. Performance of WFB is determined by how much time a woman spends on managing projects and businesses and readiness to accesses resources needed for project development. For example, in table 4, an employed woman will hardly find to manage projects equally as a business person, who sometimes might not manage businesses enterprise and/or projects for instance. At the same time, occupation determines the level of experience a woman has in whatever enterprise of activity she undertakes.

Qualitative findings from interviews coincided with quantitative findings from this study, according to Social Development Officers and Women Enterprise Funds,

".....Level of education largely influence performance of WFB because some of the learned women performed are better in book keeping, management strategies and resource mobilization compared to illiterate women in business and project development.... Regarding maturity of women, middle aged women performed better than the young and aged... In terms of occupation, determined time one had and accessibility to resources needed to enhance performance of WFB..."

Kipkorir & Otieno (2016) observe that literacy level of women entrepreneurs affects identification of their business ideas, entrepreneurial opportunities, entrepreneurial skills and organization of Business which are very critical in the accessibility of WFB loan. Mbai & Kimani (2016) concluded that that majority of the potential beneficiaries of WFB have low financial literacy. The study further showed majority of WFB were not able prepare books of account and budget to repay loan. Ijaza, Mwang and Kibet (2016) found that majority of WFB had completed primary education; followed by secondary education, while only a small per cent had tertiary level of education. The study concluded that majority of women borrowers due to low level education were unable to utilize borrowed money well.

Women experience in business and performance of WFB

The level of women experiences in business in this study entailed information gathered on loan products and related financial services, adopted business cultures and related experiences, training, attitudes & perceptions from fellow mates, and the number of times a woman secured WEF. In the findings highlighted in table 8, 276 (87.9%) of the respondents stated that information acquired on loan products and other related services influenced performance of WFB to a great extent. In this case, women who were educated and explored the business world fully understood banking practices and were aware of favourable financial practices and loan products that helped in developing their enterprises.

In another case, 285 (93.8%) of respondents stated that training a woman on Business development and project management influenced performance of WFB. In table 5, 195 (64.1%) observed that they had less than 3 years of experience in running WFB while 224 (73.1%) denied having attended training on management of WFB.

According to Sub-County Social Development Officer,

“...Women trained on business development and project management makes informed management decisions.....The length of time in business helps in strategy formulation....”

Findings from interviews were in line with quantitative findings in such a way that training helped women to make informed and further the period of experience in management of women business helped women in running business effectively.

6. CONCLUSION

The majority of women engaged in WFB do not have basic education needed to enhance project management and development. For this reason, they tend to make risky and uninformed management decisions that comprise the ability of their enterprises to thrive. The level of experience in business and project management that explained the way the majority were not able to secure second WEF because of mismanagement and thereby earning a poor credit worthiness. Maturity of women largely determined performance of WFB because it came along with the level of commitment towards project management and business development.

Performance of WFB was largely determined by business culture, attitudes, perceptions and cultural practices surrounding business environment. In this case, most women engaged in WFB were influenced by business environment, project colleagues, misconceived perceptions and personal attitudes. Training women engaged in project management and business development would help in enhancing performance of WFB because the majority of women lacked basic training on related activities.

7. RECOMMENDATIONS

Recommendations for Policy and Practice

Officials from ministry of gender and social development should partner with stakeholders in the financial and investment institutions to formulate plans aims at training women engaged in businesses and project management. This way, the majority of women engaged in business and project management will be able to make sound and informed decisions, and manage financial records effectively.

There is the need for teenage and young women engaged in businesses to learn from experienced and able women performing well in WFB to avoid making uninformed decisions regarding procurement, credit management, and other business operations.

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