ROLE OF ENTREPRENEURIAL NETWORKS AND EEFECT OF FAILURE ATTRIBUTIONS ON GROWTH ORIENTATION OF SURVIVAL-FOCUSED MICRO-ENTREPRENEURS IN THE SLUMS OF NAIROBI, KENYA

BY

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DECLARATION

I declare that this thesis has not been presented in any university for award of any degree and that all sources of information have been acknowledged by means of references.

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DEDICATION

This thesis is dedicated to Gian Saldana.

ABSTRACT

Micro-entrepreneurs have opened up international markets, increased exports and created employment worldwide. However, among many of the Africa informal economies, approximately 400,000 micro-entrepreneurs do not survive 3 years and 90% remain survival-focused. Previous researches have failed to analyze the benefits and inefficiencies of affective networks together. Empirical evidence on how micro-entrepreneurs can overcome restraining effects of affective networks is limited. Empirical research on cognitive networks has been on economic aspects but psychologically informed conceptualization is lacking. Although research indicates that internal and external attributions have effect on entrepreneurs, failure attributions micro-entrepreneurs with survival-driven mentality have not been tested. The focus has been on actual growth and not growth orientation. Thus, the overall objective of this study was to investigate the role of entrepreneurial networks and effect of failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi. Specifically, the study sought to investigate the role of affective, role of cognitive networks, examine the effect of internal failure attributions, effect of external failure attributions and determine the effect of entrepreneurial networks and failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi. The study is anchored on actor-network theory, attribution theory and theory of planned behavior. Pragmatic paradigm guided the study. The target population comprised of 304 survival-focused micro-entrepreneurs. Both primary and secondary data were collected. A sequential, exploratory, mixed method design was adopted. Saturation principle was used to select (N=20) participants in the qualitative interviews. Yamane formula was used to sample (N=166) participants for the quantitative study. For qualitative interviews, confirmability was used to test for reliability. Reliability of questionnaires tested on pilot data targeting 16 respondents revealed α above 0.70.Validity of narrative interviews was achieved through transcripts checks by supervisors. Content and criterion validity of questionnaires was achieved through literature reviews and factor analysis was used to access construct validity. Qualitative data was analyzed using thematic content analysis addressing objective 1 and 2. Multiple linear regression analysis was used on objective 3 and 4. The findings of objective one were that affective networks are effective after failure but turn destructive during growth. The findings of objective two were that besides economic support, cognitive networks provide psychological support to micro-entrepreneurs. The findings for objective three were that the change in coefficient of external failure attribution F6 and internal failure attribution F1(intentionality) was significant and negative, external failure attribution F7 (Low financial independence) was significant and positive (R^2=0.452 P<0.05). Findings for objective four were that low finanacial independenc (F7) and cognitive networks was significant and positive, intentionality (F1) and affective networks was significant and negative (R^2=0.552 P<0.05). The study is deemed significant in its ability to creating entrepreneurial linkages capable of conveying growth signals. The study concludes that affective networks are beneficial after failure beyond which they turn destructive, cognitive networks provides entrepreneurial confidence and attributing failure to specific external factors is beneficial. Thus, mechanisms should be devised that fosters cognitive linkages and addresses external environment needs of micro-entrepreneurs.

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ABBREVIATIONS AND ACROYNMS

NTF	Nairobits Trust Fund
GOK	Government of Kenya
ANT	Actor Network Theory
ST	Structuration Theory
AMT	Achievement Motivation Theory
TPB	Theory of Planned Behavior
ICT	Information Communication Technology
TCA	Thematic Content Analysis
CAQDAS	Computer Aided Qualitative Data Analysis Software
EAPG	Executable Attributes of Planned Growth
AIC	Akaike Information Criteria
PSED	Panel Study of Entrepreneurial Dynamics
EFA	Exploratory Factor Analysis
CFA	Confirmatory Factor Analysis
PCA	Principal Component Analysis
KMO	Kaiser –Meyer –Olkin
SFME	Survival-Focused Micro-Entrepreneurs
F	Factor

DEFINITION OF TERMS

Affective Networks: Relationships associated with close friends and family members.

Cognitive Networks: Relationships associated with business peers and high on providing career and business support.

Survival-focused micro-entrepreneurs: Micro-entrepreneurs pushed into business with the aim to survive and make ends meet.

Entrepreneurial Networks: Relationships providing different types of resources to start improve or grow businesses. They include affective and cognitive networks.

Resource constraints conditions: Limitations on business finance, workforce, equipment and other resources that are necessary to complete business tasks and to grow in business.

Growth Orientation: The intention or plan to grow as an entrepreneur and the intention or plans to grow in the business.

Failure Attributions: How micro-entrepreneurs explain or attribute various causes of their venture failure events

Internal Failure Attributions: Micro-entrepreneurs blaming themselves for things they did or did not do for their venture failures.

External Failure Attributions: Micro-entrepreneurs blaming other people or things for their failure in business. For example, explaining lack of finance, lack of market and stiff competition

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CHAPTER ONE: INTRODUCTION

This chapter presents an overview to the concept of affective entrepreneurial networks, cognitive entrepreneurial networks and failure attributions on the growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi. The section also presents statement of the problem, objectives of the study, research questions and hypothesis, significance of the study, scope and limits of the study and conceptual framework.

1.1 Background of the Study

Economic development has taken place through hastened growth of micro-entrepreneurs world over (Carree et al., 2002). The role of micro-entrepreneurs has become very important in the recent past (Khavul et al., 2009). Micro-entrepreneurs have immensely contributed towards the economic development of various countries in various ways particularly through creating employment. Micro-entrepreneurship have opened up international markets, increase exports, Particularly, the role of micro-entrepreneurs is also very important in emerging economies (Stevenson and St-Onge, 2005). In Kenya, micro-entrepreneurs are recognized to have the potential of moving the economy to a better level. The importance of micro-enterprises operated by these micro-entrepreneurs has been prioritized in all development initiatives in Kenya since independence in 1963. According to Sessional Paper No.2 of 2005 on development of micro-enterprises sufficient amount of finances have been spent to create institutions aimed at promoting micro-entrepreneurs since independence. Currently in Kenya, a majority of these micro-enterprises are operated by the youth. The government of Kenya has encouraged entrepreneurial spirit through implementing various strategies. For example, the Republic of Kenya through vision 2030 is set to strengthen micro-entrepreneurs by improving their productivity and the implementation of small enterprise development policy with the focus to provide an enabling environment and credit facilities for these micro-enterprises (Republic of Kenya, 2015).

Micro-entrepreneurs in emerging economies and Kenya to be specific are supported by the government mainly because of their economic and societal development. They are a source of employment where the formal sector has failed (Foster and Heeks, 2010). For instance, the Kenyan government reported that in the year 2012 micro-enterprises contributed between 18% to 20% of the country's Gross Domestic product (Republic of Kenya, 2012) and equally created employment to 5.1 million people in the country

(Stevenson and St-Onge, 2005). However, micro-entrepreneurs in these economies remain survival focused. They become unsustainable in the long term and three of out every five micro-entrepreneurs fail and close their businesses after the first few months of operation (Republic of Kenya, 2013).

These micro-entrepreneurs' exposure to failure has been of increasing interest to scholars across the entrepreneurship discipline (Khanna, Guler and Nerkar, 2013; Denrell, 2003; Furdas and Kohn, 2011) and most of them are viewed to remain small in the long term and exhibit lower survival rates (Lingelbach, La Vina and Asel, 2004). Growth among these micro-entrepreneurs has remained an obstacle. Micro-entrepreneurs rely on friends and close relatives to fund their businesses. These ties provide financial support for entrepreneurs' business and are therefore regarded as an important source of funds for entrepreneurs' businesses (Aldrich and Cliff,2003).

There exist different definitions for micro-enterprises which micro-entrepreneurs operate. Chinguta, Schnurr, James-Wilson and Torres (2005) describe these micro-enterprises as subsistence in nature, informal and survival oriented, having not more than 10 employees (Stevenson and St-Onge, 2005). Further, Mugwara (2000) defined these micro-enterprises as sole owner ventures which may employ between one to twenty people with low education background (Bowen, Morara and Mureithi, 2010). These definitions mainly identify micro-enterprises by the quantity and characteristics of people involved in the business rather than behavior of the individuals who operate them. Mead (1999) explains that a high percentage of these entrepreneurs operating these micro-enterprises are very poor and unable to grow. Hence, they are viewed to be less growth oriented as opposed to larger firms.

Micro-entrepreneurs forced into starting a business because they lack other alternatives – survival micro-entrepreneurs may be different along various dimensions from those who are able to identify opportunities and act on it (Cull, Davis and Lamareaux, 2004). For example, these micro-entrepreneurs are pushed into business and are viewed to lack growth orientations hence the reason they are referred to as survival-focused micro-entrepreneurs in this study? These micro-entrepreneurs have played a significant role in Kenya. According to (Cull et al., 2004) and (Smeaton et al., 2011) they are purported to provide economic growth more so in the context of poverty settings. For instance, Cull et

al., (2004) suggest these micro-entrepreneurs are integral specifically in the informal developing economies. This is because they provide livelihoods for the poor who rarely have access to formal type of employment. In addition, survival-focused entrepreneurs account for the creation of bulk employment in low-income countries (Ayyagari, Demirguc-Kunt and Maksimovic, 2014), Kenya included. Despite this fact, it should be noted that they also experience a myriad of challenges. Survivalist micro-entrepreneurs experience typical challenges related to their scale (Mayoux, 2001). They lack enough capital to start businesses; they are associated with low product productivity and quality, competition from larger firms, technological challenges, less innovation and their focus is on price as opposed to quality (Philips, Lee, Ghobadian and James, 2007). A majority of these micro-entrepreneurs' ventures collapse and die within the first five years; they are saturated on one product market and lack entrepreneurial spirit (Onugu, 2005). They lean towards high consumer demand type of products as opposed to new and challenging business types (Chaux and Okune, 2016).

Survival-focused micro-entrepreneurs from Kenya are not exceptional. The greatest challenge these micro-entrepreneurs experience is inability to grow (Siwadi and Mhangami, 2011). Further, Gomez (2008) found that the reason these micro-entrepreneurs rarely grow is because they lack entrepreneurial goals and do not pursue expansion. They are survival-focused. Reynolds, Bygrave and Autio (2004) referred to this group of micro-entrepreneurs as necessity or survival entrepreneurs. Gomez (2008) explains survival entrepreneurs as individuals who are not motivated by entrepreneurial goals and use their ventures mainly for the provision of income for sustaining household chores, like paying for children education. Growth to them is not a priority. For the purpose of this study, survival- focused micro-entrepreneurs are defined as a one-man establishment employing 1-2 unpaid family members or a close friend and are often faced with business capital problems. This definition follows the standard of previous research (Mead, 1999). This study focused on micro-entrepreneurs originating from the five major slums with the specific indicated GPS cordinates: Kibera 1.3122°S, 36.7914°E; Kawangware 1° 17′S, 36° 45' E; Mathare -1° 15' 21.60" S, 36° 51' 25.79" E; Korogocho 01° 13'00"S, 36°55'00"E and Mukuru 1° 18'17"S, 36°53'6"E slums.

The rationale for selecting Nairobi and slums in Nairobi was because Nairobi meets some of the main pre-conditions for pro-poor governance, for example; it constitutes formal

democratic institutions and a majority of poor citizens. Approximately 4-5 million people live in Nairobi with over 60 % residing and doing businesses in the slums (Republic of Kenya, 2009; Huchzermeyer, 2011). This startling statistics reflects trends of growing entrepreneurship in informal settlements (Satterhwaite, 2007). Such businesses contribute between 20% and 60% to GDP (Kiraka, Kobia and Katwalo, 2011) thus generating income opportunities and are the fastest current growing economy (Myers, 2011).

On the other hand, growth of entrepreneurs is a personal choice influenced by the country context of an entrepreneur (Minnetti, Arenius and Langowitz, 2005). Growth in poverty settings like Africa focuses on horizontal growth as opposed to vertical growth (Gomez, 2008). For example, (Aldrich and Cliff,2003; Reynolds and White, 1997) shows that micro-entrepreneurs in poverty settings like Africa fail to scale up. The outcome of the research analysis indicated that they failed to grow because their focus was on remaining survival. These two studies focused on growth of micro-entrepreneurs at the start point of their business and overlooked the possible growth efforts micro-entrepreneurs enact in the course of their business.

However, micro-entrepreneurs who manage to grow focus on starting a second business as opposed to expanding an existing one (Afenyadu, King, McGrath, Oketch, Rogerson and Visser, 1999). Gomez (2008) explains that micro-entrepreneurs from developing countries who manage to graduate from survival and grow are characterized by: - male ownership, located in cities, hire workers from the start of their ventures, exhibit high rate of profit generation, engage in vertical expansion and are educated. It is also important to note that growth motives of micro-entrepreneurs within the context of developing and transition economies have different impact on the growth approach they pursue (Busenitz and Lau, 2001).

Extant research has shown that factors like networks influence growth among entrepreneurs but do not fully unpack the connections between networks and growth orientation; neither does it show how this occurs. Past studies (Berrou and Carnabucci, 2012; Liao and Welsch,2003; Obura et al., 2006) have focused on the end outcome by analyzing either relative or absolute growth.

For example, Network theory (Liao and Welsch, 2003) in a research to establish how social capital influences the growth orientations of technology based ventures indicates that the size of networks determines the benefits accrued to entrepreneurs and those sparse disconnected networks lead to greater growth aspirations as opposed to extensive networks. However, the focus of this study was to establish the benefits of social networks and entrepreneurial growth in the context of nascent technology entrepreneurs in developed countries. While this research focused on micro-entrepreneurs in a different setting-poverty setting.

Few studies have actually tested the empirical relationship of the quality of networks with growth orientation especially in the context of survival-focused micro-entrepreneurs under resource constraints (Khavul, Bruton and Wood, 2009; Egbert, 2009). Khavul et al. (2009) in their study of informal family business in Africa and (Egbert, 2009) in his research of examining the success of social networks in businesses explains how some networks can be an obstruction to business growth in the context of informal economies. However, they failed to show the interplay of network dynamics in their studies. For example, these studies failed to show the kind of strategies entrepreneurs utilize to move away from the obstructive networks. To understand networks requires an in depth understanding of dynamic of networks and that they do not rapidly evolve (Venkataraman, 2000). With respect to these findings, this study will establish how micro-entrepreneurs' networks evolve over time by establishing the role of affective networks and cognitive networks on the growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi. Despite the substantial interest of micro-entrepreneurs in poverty settings, literature reviews still provides a limited understanding of the driving mechanisms behind why these micro-entrepreneurs either remain survival or move beyond their survival status (Knorringa, 2009; Mayoux, 2001; Furdas and Kohn, 2011). Subsequent ventures operated by micro-entrepreneurs are viewed as survival strategy to offset the decline in the previous venture (Lacobucci and Rosa, 2005).

Survival-focused micro-entrepreneurs are presupposed to experience marginal entrepreneurial growth due to the absence of entrepreneurial goals. One potential explanation of this is the unclear connection between attributions of failures that survival-focused micro-entrepreneurs make and entrepreneurial networks. These concepts are important for a number of reasons in the context of explaining how survival- focused

micro-entrepreneurs move from survival focus status to growth orientation. For example, venture failure rates are especially high among survival-focused micro-entrepreneurs, and the risk of failure may challenge or motivate micro-entrepreneurs from harboring growth orientation. Networks may provide the required safety nets that fuels entrepreneurs' success, but growth among entrepreneurs may only be experienced after the networks have been accessed (Klyver, 2006). Therefore, there seems to be an important connection concerning the timing at which micro-entrepreneurs eventually become successful in relation to entrepreneurial networks and growth orientation. Indeed, these three key concepts (Networks, growth orientation and failure attributions) have been central in theories of small and micro-entrepreneurs (Gomez, 2008). Interestingly, no research has specifically addressed these issues in the same model. A number of reasons exist for this current position of the literature. To start with, empirical research has to date not been able to clearly show how survival-focused micro-entrepreneurs can move from their survival status to growth (Mead, 1999; Philips, 2007; Gomez, 2008). Secondly, lack of adequate data on growing survival–focused micro-entrepreneurs has hindered researchers from unfolding the relationship between networks, growth and survival-focused micro-entrepreneurs. Thus, there exists an apparent gap between the theoretical concept of growth orientation and networks and the empirical evidence. This study sought to provide an understanding that the relationship between survival-focused micro-entrepreneurs, entrepreneurial networks and growth orientation is context specific. Therefore, the dimensions of survival-focused micro-entrepreneurs and growth orientation may vary independently of each other in a given context. Hence , the key question of this study: What is the role of entrepreneurial networks and failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi?

In Kenya, two thirds of these micro-entrepreneurs are situated mainly in the country's capital, Nairobi (Ronge, Ndirangu and Nyangito, 2002). Approximately 4-5 million people live in Nairobi with over 60 % residing and doing businesses in the slums (Republic of Kenya, 2009; Huchzermeyer, 2011). This startling statistics reflects trends of growing entrepreneurship in informal settlements (Satterhwaite, 2007). Such businesses contribute between 20% and 60% to GDP (Kiraka, Kobia and Katwalo, 2011) thus generating income opportunities and are the fastest current growing economy (Myers, 2011). For these reasons, Nairobi was ideal region for this study. However, entrepreneurial growth trajectories of the marginalized but majority slum-dwellers remain

underexplored. This study is tied to survival-focused micro-entrepreneurs who get into business to make ends meet. According to Alila and Pedersen (2001), 73% of this group engages in informal businesses as a way of coming out of poverty but hold growth plans over time. However, they are young micro-entrepreneurs with survivalists' pragmatism (Thieme, 2014) who struggle to move from their survival state to growth state. Sources of clients for these micro-entrepreneurs are local residents residing in semi-private shanties or unfinished semi-permanent buildings. Hence, this scenario makes the slums in Nairobi a favorable setting for this study. Kibera, Kawangware, Mathare, Korogocho and Mukuru slums were studied.

Nairobits Trust Fund core objective is to transform the livelihood of the youth through empowering them with entrepreneurship and ICT skills and in turn make them independent. They have a focus to enable the youth lead a more productive life and impact positively in their communities. The organizations target the youth between the ages of 17-25. As opposed to other incubation centres for example SHOFCO, Ihub, Ramani Mashinani, Map Kibera Trust and Hub Karen, Nairobits Trust Fund offered the ideal target group and setting the study on entrepreneurial networks and failure attributions on growth orientation wanted to focus on. In addition, the organization's core objective of unlocking the entrepreneurial potential of the youth from informal sectors to growth levels are in tandem with the overall objective of this study.

Young micro-entrepreneurs have networks anchored through friendship and youth groups (Thieme, 2013). Proponents of networks theory concede that networks are important particularly for small firms (Obura, Abeka and Obere, 2006). They enhance social interactions between the members through trusting communication (Casson and Giusta, 2007) and networking is considered as a manifestation of social capital in the network research (Himanen and Castells, 2004). Networks play an important role in entrepreneurship. Entrepreneurship literature has provided sufficient proof that entrepreneurship is socially embedded in network structures (Aldrich and Cliff,2003; Aldrich and Zimmer, 1986; Johannison, 1988). Networks are crucial and enable entrepreneurs penetrate markets especially under circumstances of high level of economic uncertainty, market imperfections and weak formal legal institutions (Biggs and Shah, 2006). These two authors suggest that these networks are also a solution to the economic

problems of information barriers and financial difficulties that stimulate growth prospects among micro-entrepreneurs.

There exist two main types of relationships in entrepreneurship; affective and cognitive networks. Dubini and Aldrich (2008) explain that differences exist in how each of these two types of relationship are associated with different types of embeddedness. They further explain that affective networks arise from the heart; it arises from emotions and sense of an individual's feelings. This kind of relation is associated with close friends and immediate close family members. Whereas cognitive networks originate from the head, it is a judgment based evidence of another's competence and reliability. This kind of relation is high on those providing career or economic support.

The importance of affective networks has since been recognized in informal economies (Berrou and Combarnous, 2012). For example, small micro-entrepreneurs turn on affective networks in order to access physical capital (Nordman 2016; Grimm et al., 2013), promote innovation (Barr, 2002) and lowers transaction costs (Nguyen and Nordman, 2014 and Mustakallio et al., 2002). With the absence of affective networks, performance of micro-entrepreneurs in informal economies is bound to decline. In Kenya for example, Obura et al. (2006) carried out a quantitative study to examine the role of informal personal networks on the success of micro and small enterprises. They found that family ties represent a significant role in small businesses performance. The conclusion of their study was that entrepreneurs who maintained frequent relationship with both family and external networks become successful. In addition, Berrou and Conbarnous (2012) recognized the importance of affective networks among entrepreneurs in Burkina Faso. The aim of their quantitative study revealed that affective personal networks have positive economic outcomes to entrepreneurs and their conclusion was that affective personal networks are important to the performance of entrepreneurs.

While appreciating the fact that affective networks are important resource to micro-entrepreneurs in the informal economies, extant lietrature (Khavul et al., 2009) indicate an obstruction of affective networks to business growth and development especially in the informal economies. Most of the research on affective networks (Obura et al., 2006; Berrou and Conbarnous, 2012) focused on the bright side of these networks. However, due to an extremely dynamic nature of networks, finding a distinctive role of networks

has become difficult (Hernandez et al., 2015) and these explains why affective networks could also have a dark side. This notion has been reinforced by theorists such as (Chua et al., 2008; Khavul et al., 2009; Nordman, 2016).

For example, Khavul et al. (2009) made a comparative study of informal micro-financed micro-entrepreneurs in East Africa. They examined eight case studies in Kenya and Uganda covering the period from 2000-2003. The authors used a five step qualitative approach that included definition of research questions, generation of protocol to analyze cases, application of the protocol to analyze individual cases, comparing results on individual cases and generation of testable prepositions. The study revealed that East African entrepreneurs use strong family ties and communities to establish and grow their business but concluded that these ties were an obstruction to their businesses. In another study, Chua, Ingram and Morris (2008) carried out a cross sectional research of managers attending an executive MBA course at a University in the US. The purpose of the study was to investigate and locate cognitive and affective based relationship in managers' professional networks. The results revealed that affective based relationship was negatively associated with economic resource ties. The conclusion was that affective networks compromise economic relations.

Therefore, although empirical findings on affective networks and growth among entrepreneurs posit that networks lead entrepreneurs to establish businesses and grow (Obura et al., 2006; Berrou and Conbarnous, 2012), these authors overlooked the dark side of networks. Despite the fact that the sample of these two studies (Obura et al., 2006; Berrou and Conbarnous, 2012) originated from a developing country context, they both failed to analyze the dynamic nature of networks. Furthermore, the use of quantitative approach was a limitation. It is unlikely that quantitative technique could bring out clearly the experiences entrepreneurs had with their networks. This is because negative experiences are sensitive issues hence making them difficult to discuss. Capturing these experiences through quantitative technique could be difficult.

Notwithstanding the fact that (Khavul et al., 2009) used qualitative approach and came to a conclusion that affective networks were both beneficial and an obstruction to the growth of entrepreneurs they failed to show how entrepreneurs overcome the restraining effects of affective networks. Chua et al. (2008) on the other hand, explains that affective networks impacts negatively on economic relations, but the authors failed to focus on

other factors like psychological factors but relied more on economic aspect of networks.

Taking into consideration the above literature gaps, this research was different from the other studies in the field of affective networks in three ways: - First, the study used qualitative approach to capture both the positive and negative experiences of micro-entrepreneurs with affective networks. Second, although this study generally agrees with the assertion that affective networks are instrumental to a micro-entrepreneur, it sought to extend this argument by proposing that affective networks may negatively impact on economic relations but also showed the strategies micro-entrepreneurs employ through affective networks to overcome the restraining effects of these networks in order to grow. Third, this study also differs from others in respect of the unit of analysis. Responding to latest calls for micro-founded, psychologically informed conceptualizations of networks (Barsade, Casciaro, Edmondson, Gibson, Krackhardt and Labianca, 2012). For example, all the above mentioned empirical studies used the enterprise as the unit of analysis while this study employed the individual entrepreneur. Thus, this study shed more light on the role of affective entrepreneurial networks on growth orientation of survival focused micro-entrepreneurs in the slums of Nairobi, taking into consideration the dynamic nature of networks.

On the other hand, cognitive networks are based mostly based on competence (Fiske, Cuddy and Glick, 2007) and rooted in past performance (Colquitt, LePine and Zapata 2011). These networks have an imperative role of reducing the levels of uncertainty whether one should rely upon an individual or not (Colquitt et al., 2012). This is because individuals keep on updating their knowledge about other people's competence and dependability. Effectively using such knowledge is important specifically for micro-entrepreneurs experiencing venture uncertainties. Cognitive networks promote learning. This is because cognitive networks enhances micro-entrepreneurs' ability to engage in evaluative process of diagnosis and developing alternative causes of action during adversity in a proactive manner.

For example, in a quantitative study conducted with a small Italian design firm (Carnabuci and Dioszegi, 2015) on networks, cognitive style and innovative performance. The study revealed that employees with cognitive networks are most innovative. Their conclusion was that cognitive networks were the main and important contingency for

explaining innovative performance among high status employees. In another study (Schaubroeck et al., 2013) recruited participants from US Army training program. The training was conducted in groups ranging between 50-60 trainees. The purpose of the study was to establish how affective and cognitive relationships develop over time. The soldiers were examined at the beginning, middle and at the end of intensive fourteen-week training with an aim of establishing the development and impact of cognitive and affective networks among peers and leaders. Their finding revealed that cognitive based relationships have an important influence on the extent to which individuals cultivate affective based relationships with others. The analysis of this study reveals a reverse causal relationship. They indicate that cognitive relationships have causal precedence in the development of affective relationships.

To add to this, Colquitt et al. (2011) conducted a study to distinguish trust relationships among 126 firefighters in situations marked with low levels of uncertainty from trust relationships situations marked with high levels uncertainty. They sampled 114 males and 12 females. The main objective of the study was to examine how cognitive and affective relationships impacted on firefighters under situations of both certainty and uncertainty. The findings indicated that under situations of certainty, affective relationships were less productive. On the other hand, in situations of uncertainty, competence derived from cognitive relationships was not significant. The conclusion was that neither of these relationships predicted performance across certainty or uncertainty situations but the key determinant of performance was task the in question. Hence, this study shows that cognitive and affective relationships on firefighters' performance may be complex thus accounting for these results.

Furthermore, in the cross sectional study by (Chua et al., 2008) of managers in attendance of an executive MBA course at a University in the US, reveals that cognitive networks are positively associated with economic resources as opposed to affective networks. Their research also showed that cognitive relationships between top managers and their subordinates flourish leading to successful ventures.

Past empirical findings have recognized cognitive entrepreneurial networks as consisting of positive interactions that may further develop into creative economic transactions (Schaubroeck et al., 2011; Carnabuci and Dioszegi, 2015) but Colquitt et al., 2011)

explains that under conditions of uncertainty cognitive networks are not effective. However, Schaubroeck et al. (2011) explains that cognitive networks could influence positive performance but only after these networks have first cultivated affective networks. Carnabuci and Dioszegi (2015) used a single organization for their study. Besides, their focus was on the role of cognitive networks on innovation but failed to also look at other factors like the influence of cognitive networks on growth. Moreover, the sample of this study was high status employees. Could there be a difference between high status individuals versus los status individuals when in regard to the role of cognition?

The sample size in (Colquitt et al., 2011) for some tests of hypothesis was fairly low. Obtaining data from firefighters in other cities could have boosted the study's statistical power. The sample was also relatively homogeneous with respect to ethnicity and gender. This may limit the generalizability of the study's findings. Schaubroeck et al. (2013) reverse causal relationship could also be as a result of the homogeneous sample they focused on. The focus was on the male sample. The gender homogeneity is a limitation.

As a consequence of the gaps in the cognitive networks literature, this study is different from the above empirical studies in the field of cognitive relationships in four ways:- First, current studies largely focus on the experiences of developed countries (Colquitt et al., 2011;Schaubroeck et al., 2013; Carnabuci and Dioszegi, 2015) in contrast, the focus of this study was in a less developed country. Second, current studies have focused on high status individuals for example managers, CEOs and the army (Colquitt et al., 2011; Schaubroeck et al., 2013; Carnabuci and Dioszegi, 2015). The study on the role of entrepreneurial networks, failure attributions and growth orientation focused on low status micro-entrepreneurs from the slums of Nairobi. Third, this study shows that affective networks have causal precedence over cognitive networks. Nevertheless, majority of research on cognitive networks and affective networks have allowed these variable to correlate in multivariate analyses (Mossholder and Peng, 2009; Colquitt et al., 2012). In contrast, this study shows that affective networks have causal precedence over cognitive networks. Fourth, it is important to note that studies on cognitive networks have focused on the importance of these networks on venture success but research on cognitive networks on other factors like psychological factors is limited. Thus, this study responded to recent calls for psychologically informed conceptualization of entrepreneurial networks (Barsade, Casciaro, Edmondson, Gibson, Krackhardt and Labianca, 2012). From the

critical analysis of the empirical studies above, the question then would be what is the role of cognitive networks on growth orientation of micro-entrepreneurs in the slums of Nairobi besides the economic role that have been overemphasized in literature?

Brown (2007) and Slavin (2003) explains attribution theory in relation to four explanations for success and /or failure in attaining a set goal. These were perceived task difficulty, luck, effort and ability. Perceived task difficulty is how difficult or easy an individual believes the task to be. The higher the percentage of failing at a task, the more highly that the failure will be blamed on the task difficulty, Luck is success or failure brought by chance and lack of personal control (Weiner, 1980). Effort is how hard one tries to achieve a goal. People who are successful view themselves and by others as having worked harder as opposed to those who experience failures (Weiner, 1980). Ability is an individual's ranking of won skills. Several failures or successes show whether an individual 'can' or 'cannot' (Weiner, 1980). Thus, Weiner (1980) attribution theory is focused on the causes individuals attribute their success and failures experiences to. Micro-entrepreneurs' growth orientation and failure experiences affected an individual's ensuing actions, future inspirations and drive that led to different reactions in their growth trajectories.

This theory further suggests that explanations of the same events tend to differ for different actors (Brown, 2007) as a result of bias that exists on the part of actors. Therefore, while failure to make high returns in the business might be judged to be as a result of poor ability or effort by some entrepreneurs, it may be blamed on difficulty of business tasks or merely bad luck by others. Therefore, lack of access to supportive resources for example, can facilitate external attributions by denying entrepreneurs the 'cognitive space' to do so. But could these supportive resources also place extra burden on entrepreneurs when dealing with the consequences of various challenges? For example, micro-entrepreneurs could attribute negative outcomes arising as a result of external causes in order to preserve supportive relationships associated with these networks. Further, this study built on the works of Myers et al., (2014) and explored differences in attribution styles after venture failure and how it impacted on growth orientation by focusing on multiple failure events.

When entrepreneurs experience failure, they show the tendency to analyze their environment with a view to find causal explanations that cause the failures (Vermeir and Lariviere, 2014). End results that digress from the expectation propel the actors who receive that outcome to allocate causality for the unanticipated outcome. In this study, business failure is a digressive outcome and micro-entrepreneurs seek for internal and external causes of the failure events and make attributions of blame. Internal and external attributions can change how individuals engage in reflection following an experience (Jordan & Audia, 2012) and they may differentially motivate subsequent effort for learning and improvement (Weiner, 2001). Internal attributions act as motivators for learning because they focus attention on individual's ability and effort as causes of performance. Thus internal attributions after failure are necessary conditions for changing individual's behavior. This study showed that failure led to growth only when individual micro-entrepreneurs attribute these failures to themselves.

Research shows that entrepreneurs' denial of responsibility can inhibit moving out of failure situations (Shepherd, 2003; Shepherd and Cardon, 2009). For instance, in a sample of 389 entrepreneurs from the US, Cardon, Stevens and Potter (2011) carried out a study with objective to examine the attributions of entrepreneurs who had experienced failure experiences in different areas of their ventures. Their findings revealed that whether entrepreneurs attributed failures to their own mistakes or as a result of external factors outside their control, did not matter much. Their conclusion was that the consequences of failures varied between different regions in the country. Cardon et al. (2011) research came from a non-representative sample of entrepreneurs who had already reached a level of growth, and as such results cannot be generalized to all entrepreneurs. Their study was also primarily carried out in a North American context, thus may or may not generalize to entrepreneurs in other countries.

In another study, Diwas, Staats and Gino (2014) carried an empirical analysis to investigate how individuals learn from their own past experiences and from the experiences of others with both failures and success. Their data consisted of 71 cardiac surgeons in Massachusetts hospitals in the US. They found that individuals learn more from their successes than their failures, but they learn more from the failures of others than others' successes. One reason for this finding was that individuals fail to learn from their own failures because they attribute factors external to themselves for their failures.

The authors explain that individuals make external attributions in order to maintain a positive self-image.

Franco and Haase (2010) adopted a qualitative study of eight growth oriented Portuguese small and micro-entrepreneurs. The objective of the study was to investigate a potential bias between the actual causes of small and medium sized entrepreneur failures and the reasons the entrepreneurs attribute their failures to. Their research findings revealed that external factors were always cited for entrepreneurs' failures. In as much as some entrepreneurs displayed some level of awareness regarding their own internal weaknesses they did not cite them as causes for their business failures. Conversely, Shaukat (2010) undertook a survey type research on students' causal attribution towards success and failure in examinations at post graduate level. The objective of the study was to measure the students' internal and external attribution, how they attributed success (high grades) and failure (low grades) in examination. The findings showed that both high and low achiever students attributed internal and external causes towards their success and failure.

Diwas et al. (2014) focused on one performance outcome that is quality of surgery. It is important to study other outcome measures. For example, in a service set up one could use customer satisfaction as the outcome measure. Similarly, in this study's setting, growth orientation is a suitable measure. In addition, information was obtained from surgeons only yet surgeons work in teams. Gaining more data from the surgery team could give varied results this is because shared experiences among team members have a chance of increasing performance (Huckman and Staats, 2011). Cardon et al. (2011) research on the other hand came from a non-representative sample of entrepreneurs who had already reached a level of growth, and as such results cannot be generalized to all entrepreneurs. Their study was also primarily carried out in a North American context, thus may or may not generalize to entrepreneurs in other countries. Similarly, Franco and Haase (2010) data was derived from Portugal thus the findings cannot be generalized these to other settings.

In lieu of the above gaps in the attribution theory literature, this study is different and filled these gaps in three ways:- First, current studies focused on a sample that had already achieved growth level (Franco and Haase , 2010; Cardon et al., 2011). On the contrary, this study focused on micro-entrepreneurs whose intention was to grow. Second,

some of these studies focused on individuals from a different setting for example (Diwas et al., 2014) focus was on the quality of surgeons and (Shaukat, 2010) focus was on post graduate university students. Thus, particular attributional characteristics observed may only be applicable to medical and college academic settings. This study focused on founder micro-entrepreneurs who operated their own businesses. Third, current studies focus was in developed countries for example the US and Portugal (Diwas et al., 2014; Franco and Haase (2010; Shaukat, 2010). To add clarity to the contradictory findings on attribution literature, this study responded to the question: What is the effect of internal and external failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi?

Previous studies on entrepreneurial networks (Nordman 2016; Grimm et al., 2013; Colquitt et al., 2012; Berrou and Combarnous, 2012) has either focused on the benefits of affective networks, the inefficiencies of affective networks and the economic benefits of cognitive networks. Furthermore, past studies on failure attributions (Diwas et al., 2014; Cardon et al., 2011; Franco and Haase, 2010; Shaukat, 2010) analyzed either the effects of internal attributions and external attributions individuals assign on successes or failures. The mentioned studies focus was to analyze entrepreneurial networks independently and failure attributions independently. Limited research has been carried out on the role of entrepreneurial networks and failure attribution together. Could there be a way in which the entrepreneurial networks micro-entrepreneurs' keep influence the attributions they make for their failures? Therefore, this study sought to address this gap by analyzing the effect of entrepreneurial networks and failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi, Kenya.

Thus, this study on entrepreneurial networks and failure attributions on growth orientation of survival-focused micro-entrepreneurs explored micro-entrepreneurs from Nairobi county reason being that two thirds of these micro-entrepreneurs are situated Nairobi (Ronge, Ndirangu and Nyangito, 2002). Approximately 4-5 million people live in Nairobi with over 60 % residing and doing businesses in the slums (Republic of Kenya, 2009; Huchzermeyer, 2011). This study is tied to survival-focused micro-entrepreneurs who get into business to make ends meet. According to Alila and Pedersen (2001), 73% of this group engages in informal businesses as a way of coming out of poverty but hold growth plans over time. Sources of clients for these micro-entrepreneurs are local residents

residing in semi-private shanties or unfinished semi-permanent buildings. Hence, this scenario makes the slums in Nairobi a favorable setting for this study. Nairobits Trust Fund core objective is to transform the livelihood of the youth through empowering them with entrepreneurship and ICT skills and in turn make them independent. They have a focus to enable the youth lead a more productive life and impact positively in their communities. The organizations target the youth between the ages of 17-25. As opposed to other incubation centres for example SHOFCO, Ihub, Ramani Mashinani, Map Kibera Trust and Hub Karen, Nairobits Trust Fund offered the ideal target group and setting the study on entrepreneurial networks and failure attributions on growth orientation wanted to focus on. In addition, the organization's core objective of unlocking the entrepreneurial potential of the youth from informal sectors to growth levels are in tandem with the overall objective of this study.

1.2 Statement of the Research Problem

Micro-entrepreneurship has increasingly become the industry of choice for most youth after failing to secure formal employment. Despite their importance, micro-entrepreneurs in these micro-enterprises have continued to operate under resource limitations. Indeed, this situation has led micro-entrepreneurs to face frequent failures, and inability to scale up and grow and 90 % of this group remains survival-focused. To date, both theory and practice have focused on various support frameworks in terms of finances and entrepreneurship training as a means towards leveraging the growth of micro-entrepreneurs but this has not been effective in the long term. Despite this reality, the government and non-governmental organizations concerned with entrepreneurial development in Kenya have continued to advance the status quo. If this situation continues, micro-entrepreneurs will continue to experience persistent threat of business failures, growth stagnation and survival driven mentality. A study on affective networks, cognitive networks and failure attributions would shed the much needed light in turning around the panacea. Therefore, this study sought to examine whether the presence of entrepreneurial networks and failure attributions have influence on growth orientation of SFMEs in the slums of Nairobi.

1.3 Objectives of the Study

The overall objective of this study was to investigate the role of entrepreneurial networks and the effect of failure attributions on growth orientation of survival-focused micro-entrepreneurs in Kenya, specifically in the slums of Nairobi.

The specific objectives were:

i. Investigate the role of affective networks on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi.
ii. Investigate the role of cognitive networks on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi.
iii. Investigate the effect of internal and external failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi.
iv. Determine the effect of entrepreneurial networks and failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi.

1.4 Research Questions

What is the role of affective networks on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi?

What is the role of cognitive networks on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi?

1.5 Research Hypotheses

$H_0$1 There is no significant effect of internal and external failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi

$H_0$1 There is no significant effect of entrepreneurial networks and failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi.

1.6 Scope of the Study

This study examined the role of entrepreneurial networks and effects of failure attributions on growth orientation of survival-focused micro-entrepreneurs under resource constraints in the slums of Nairobi County in Kenya. It focused on micro-entrepreneurs originating from five major slums in Nairobi namely: Kibera 1.3122°S, 36.7914°E; Kawangware 1° 17′S, 36° 45' E; Mathare -1° 15' 21.60" S, 36° 51' 25.79" E; Korogocho 01° 13'00"S, 36°55'00"E and Mukuru 1° 18'17"S, 36°53'6"E slums. The rationale for

selecting Nairobi and slums in Nairobi was because Nairobi meets some of the main pre-conditions for pro-poor governance, for example; it constitutes formal democratic institutions and a majority of poor citizens. Approximately 4-5 million people live in Nairobi with over 60 % residing and doing businesses in the slums (GOK, 2009; Huchzermeyer, 2011). This startling statistics reflects trends of growing entrepreneurship in informal settlements (Satterhwaite, 2007). Such businesses contribute between 20% and 60% to GDP (Kiraka, Kobia and Katwalo, 2011) thus generating income opportunities and are the fastest current growing economy (Myers, 2011). However, entrepreneurial growth trajectories of the marginalized but majority slum-dwellers remain underexplored. Therefore, slums in Nairobi setting were an ideal for this study. The choice of selecting micro-entrepreneurs from these informal settlements was guided by the fact that they will have undergone entrepreneurship training from Nairobits-an incubating organization focusing on youth from Nairobi County slums. The study adopted sequential exploratory mixed method design targeting 166 micro-entrepreneurs between ages 17-25.

1.7 Significance of the Study

Survival-focused micro-entrepreneurs under resource constrained conditions need to know the conditions that spurs growth orientation. This information is important to clarify whether affective and cognitive entrepreneurial networks are a necessary condition for survival-focused micro-entrepreneurs harbor growth orientations. The study gave an understanding to survival-focused micro-entrepreneurs on the role of attributing internal factors to failures and attributing external factors to failure. It explained the effects of such failure attributions on growth orientation of survival-focused micro-entrepreneurs. Considering that studies on entrepreneurial networks and micro-entrepreneurs from poverty settings are still scarce, the results derived from the analysis of this study may contribute to the body of knowledge where more research is required. Academicians, researchers and students will find this study very rich for future similar studies. Moreover, there is little understanding as to how micro-entrepreneurs' entrepreneurial networks and causal failure attributions interact and impact on growth orientation. Little research has been focused on micro-entrepreneurs' decision process to grow. Thus, dynamics between micro-entrepreneurs, entrepreneurial networks and causal failure attributions is required. This will advance a better understanding of the role of

entrepreneurial networks and causal failure attributions on growth orientation of survival-focused micro-entrepreneurs.

1.8 Conceptual Framework

The theoretical underpinnings of this study are that networks are necessary point of passage for micro-entrepreneurs. Besides, the reasons micro-entrepreneurs assign their failures to determine the growth status of micro-entrepreneurs. The dependent variable in this study is growth orientation.

Growth orientation is essential to understanding growth among entrepreneurs because aspirations are the first step in the growth process (Venugopal, 2016). The independent variable for this study is entrepreneurial networks and failure attributions. Hoang and Antoncic (2014) explain that networks consist of individuals linked through some relationships. These relationships may include close friends and family-affective networks. Relationships that arise as a result of having confidence in another person's competence are referred to as cognitive networks. Thus, this research found that micro-entrepreneurs with entrepreneurial networks develop growth orientation as opposed to those who lack these networks. This study also found that the attributions micro-entrepreneurs made were influenced by entrepreneurial networks and in turn determined whether micro-entrepreneurs harbored growth orientations. Presence of affective entrepreneurial networks facilitated external attributions and placed extra burden on micro-entrepreneurs when dealing with the consequences of various challenges. The conceptual framework in this study is adopted from (Witt, 2004) who characterized into activities to build networks, structure of network and acquired information by network partners. The reason for adapting this CF was that the influence of family and friends' networks were brought into play and how they impacted on performance. However, in this study, several modifications were done because the focus of the researcher was on survival-focused micro-entrepreneurs who are the main unit of analysis. Witt (2004) focused was on establishing the number of direct relations between the entrepreneurs' personal network while the focus of this study was to establish the switch in networks and how these networks played a role on micro-entrepreneurs' growth orientation.

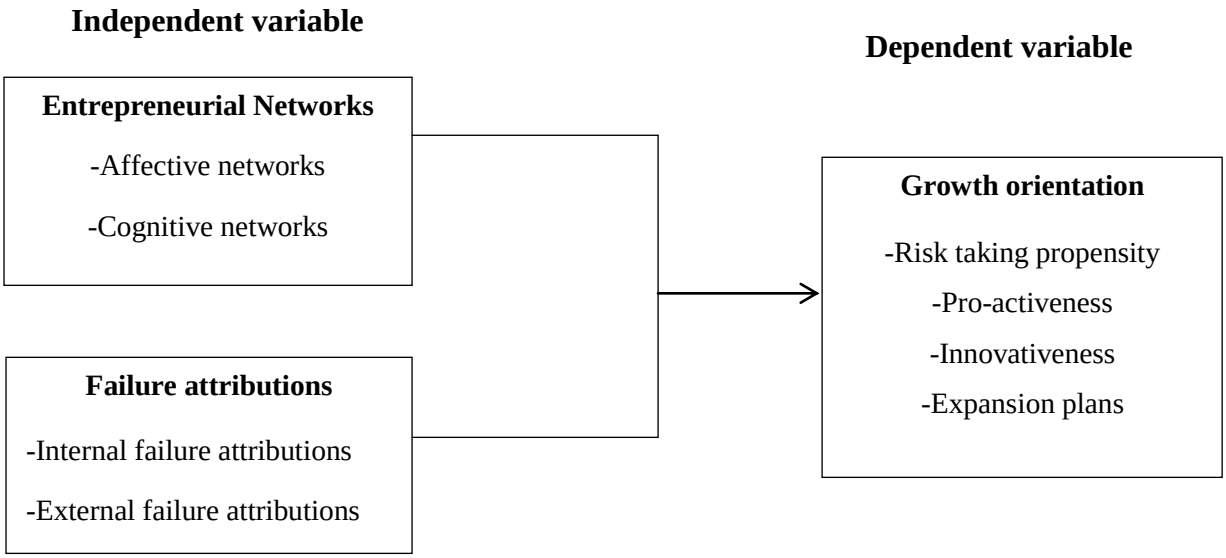


***Figure 1*: Conceptual Framework for a study on the role of entrepreneurial networks and failure attributions on growth orientation of survival-focused micro-entrepreneurs**

Source: Adopted from Witt (2004)

CHAPTER TWO: LITERATURE REVIEW

This chapter reviews theoretical and empirical literature on key study variables with the aim of identifying existing research gaps. The concern of this chapter is the theories, concepts, empirical studies on entrepreneurial networks, failure attributions and growth orientation. Various authors have analyzed growth of micro-entrepreneurs in different perspectives. Review of these analyses is important in developing an approach that can be applied in the study of survival-focused micro-entrepreneurs. In as much as there have been several studies on entrepreneurial networks, the concept of entrepreneurial networks and survival-focused micro-entrepreneurship is still underdeveloped in conceptual, theoretical and methodological terms.

2.1. Theories of the Study

2.1.1. Actor-Network Theory (ANT) and entrepreneurial networks on growth orientation

Since Actor-Network Theory focuses on the connections and are made and remade between human and non-human entities, it is a good candidate for addressing the objectives of this research. According to Callon and Latour (1981) ANT is concerned with how networks enlist other to invest, how these networks bestow qualities and motivations to the actors, how they become progressively useful over time and how they become necessary points of passage. The process through which an actor joins a network is seen as an act of 'translation' meaning a displacement from one status to another (Callon 1986). By presenting a view of translation, ANT focuses on associations rather than properties and this is what makes ANT best suited for this study. This indicates that survival-focused micro-entrepreneurs can use networks to displace them from survival status and translate them to harboring growth orientations.

Latour (2005) explain that when two or more actors are connected, they form an actor – network. Further, the author states that ANT focuses on how these connections were established and notes that some networks are more long lasting than others. This process can only be revealed through a field research study because establishing these connections can be done differently every single time. This theory therefore guided the process through which survival-focused micro-entrepreneurs' networks are examined.

Actors have power to change other actors during interactions. Interactions between actors are necessary to maintain the connections between them. In order to establish these

connections, actors have to be ousted and transformed in order to make them fit into an actor-network (Czarniawska, 2004). Survival-focused micro-entrepreneurs require actors that act as safety- nets to eject them from their 'comfort zones'-survival status to harboring growth orientations, to motivate them that they can also grow and to enable them progress over time. Thus, ANT carries substantive elements that cannot be neglected when carrying out network driven research and therefore its suitability to this study.

2.1.2. Attribution theory and failure attributions

The process of assigning causes to our or other people behavior is called attribution (Woolfolk, 2011).When entrepreneurs experience business related failures, they tend to analyze their environment so as to find causal explanations that caused the failure (Van Vaerenbergh, Orsingher, Vermeir, & Lariviere, 2014). Woolfolk (2011) found that results that digress from the expectation push individuals who receive those results allocate causality for unexpected outcomes. In this study, micro-entrepreneurs' failure events are a digressive outcome and micro-entrepreneurs seek internal or external causes of the event and make attributions liability. Attribution theory explains how individuals make causal explanations for some events which in the end influence behavior (Brown, 2007). Several failures or successes show whether an individual 'can' or 'cannot' (Weiner, 1974).

Therefore, Weiner (1972) attribution theory is focused on the causes individuals attribute their success and failures experiences to. Weiner (1972) explains that it is the norm for individuals to attribute their successes to internal factors and failures to external factors. Further, individuals make causal attributions in a way to maintain positive image (Weiner, 1992). This means that they will attribute their successes or failures to factors that will make them happy. Micro-entrepreneurs' growth and failure experiences will affect an individual's ensuing actions, future inspirations and drive will lead to different reactions in their growth trajectories. For survival-focused micro-entrepreneurs, making specific external failure attributions enable them protect their self-esteem and improve their level of self-confidence. These micro-entrepreneurs originate from humble backgrounds and attributing failure to factors within can be self-damaging for themselves and their ventures. Weiner et al., (1972) further describe how a person's explanations, justifications, excuses, reasons for blaming influences their final motivation and ultimate

actions. For survival-focused micro-entrepreneurs, growth orientation is the motivator and the ultimate action that SFMEs engages in.

2.1.3. Theory of Planned Behavior (TPB) and Growth Orientation

Ajzen (1980; 1991) theory of planned behavior is one of the few theories that incorporate growth aspirations/ orientations in explaining variations in actual growth of the firm. According to Ajzen (1980; 1991), perceptions, attitudes and beliefs can impact on actual venture performance. Key to this theory is a person's intention to perform a given behavior.

Different types of entrepreneurial behavior are exhibited depending on the environment, availability of resources and capabilities (Gibbs and Davis, 1990). Categorically, the choice to grow should be begin with the entrepreneur. TPB is based on attitudes towards behavior, perceived social norms to engage in a certain behavior and the degree of which an individual thinks they have control over achieving certain behaviors (Ajzen, 1991).

According to this theory, intention is the immediate antecedent of behavior. Intentions are believed to capture the motivational factors that influence behavior.These motivation factors exhibit how hard individuals are willing to try and how much effort they are planning to exert for them to perform a specific behavior (Ajzen, 1991). The stronger the intention to engage in a behavior, the highly likely it will lead to performance. Thus, this is to say, that given the right opportunity, micro-entrepreneurs will translate their growth orientations and aspirations into actual behavior.

2.2. The Concept of Entrepreneurial Networks

Networks are important vehicles through which micro-entrepreneurs are connected. Hoang and Antoncic (2003) explain that networks consist of individuals linked through some relationships. Networks scholars (Fillion, 1990; Hand and Tomblin, 1993) categorized entrepreneurial networks into primary entrepreneurial networks involving family and friends and secondary entrepreneurial networks which involve acquaintances and business referees. In another study, (Visilchenko and Morrish, 2011) categorized networks into social and business networks. They explained social networks as entailing linkages developed from personal relations while business networks involve repeated economic relationships. Gilmore and Carson (1999) define networks as a set of actors

who may (or may not) have knowledge of each other and who directly or indirectly contribute to the entrepreneurial life of an entrepreneur. In the context of this study and consistent with literature we will adapt (Fillion 1990; Hand and Tomblin, 1993) definition of family and friends' relationships and include the aspect of trust and psychological attachment into these relations. Trust is important for network relationships (Hakanen, Kossou and Takala, 2016). Without trust, continuous relationships between entrepreneurs and external actors are not guaranteed. This study will therefore refer to these networks as affective networks. Secondly, this study will extend (Visilchenko and Morrish, 2011) explanation of entrepreneurial business networks as involving confidence in another person's competence and reliability (Mc-Allister,1995) in the areas relevant to an individual's business. Confidence in an individuals' competence is likely to influence a person's cognitive style. For example, individuals with innovative cognitive styles are likely to device creative ideas when dealing with problems (Carnabuci and Dioszegi, 2015). Thus, in this study, individuals who played a role in developing cognitive style of micro-entrepreneurs in dealing with their businesses were referred to as cognitive networks.

2.2.1. Affective Entrepreneurial Networks

Family has been defined by scholars as any form of blood relationship. Grimm et al. (2013) explain affective family networks as links that are characterized by high levels of trust and ease of information sharing (Ensley and Peterson, 2005; Luo, 2012). However, micro-entrepreneurs share obligations and expectations in the course of their interactions with both family and friends. In keeping with these explanations, this study treats affective networks as both blood and non-blood relationships. The researcher draw from (Aldrich and Cliff, 2003) that scholars should avoid limiting themselves from narrow definitions of what comprises family. Aldrich and Cliff (2003) propose focusing on changing combination of forms of household with diverse unrelated individuals. Family and close friends are characterized with high levels of trust with micro-entrepreneurs – thus the researcher refers to them in this study as affective networks.

Affective networks have since been recognized as being critical especially in informal economies (Berrou and Combarnous, 2012). For example, micro-entrepreneurs turn on family networks in order to access physical capital (Nordman 2016; Grimm et al., 2013 and Aldrich and Waldinger, 1990), promote innovation (Barr, 2002) and lowers

transaction costs (Nguyen and Nordman,2014 and Mustakallio et al., 2002). With the absence of family networks, performance of micro-entrepreneurs in informal economies is likely to decline. However, the presence family networks in business is also observed to have negative effects (Egbert, 2009; Morck and Yeung , 2003). This finding is consistent with (Lach and Nordqvist, 2010) that family and kinship ties is a key dettrent to entrepeneurs' development. The authors further suggest that the existence of strong sharing culture in Africa has the negative effect of reducing the motivation and ability to invest in business oppourtunities.

Additionally, affective family networks are also theorized to inhibit growth prospects among micro-entrepreneurs. For example, the presence of strong family ties in business is suggested to limit the urge for entrepreneurs to follow their growth ambitions. This is because the downright family business takeovers deny micro-entrepreneurs the oppourtunity to explore different and rewarding businesses (Khavul et al., 2009).

Both streams of literature face various limitations. First and while appreciating the fact that that family networks is an important resource to entrepreneurs in the informal economies, it also comes with its disadvanatges. For instance, Khavul et al. (2009) explains family as an obstruction to business growth and development especially in the informal economies. Secondly, and as recently illustrated by research on the negative effects of affective networks, the focus has been on inefficiency of family networks. Micro-entrepreneurs are most of the time unable to control family demands (Egbert, 2009) and family labor are usually less productive (Nordman, 2016). However, little attention has been dedicated to understanding how survival-focused micro-entrepreneurs can overcome the restraining effects of affective networks. Secondly, no research has been carried on the effects of these networks on growth orientations of surival-focused micro-entrepreneurs. The focus has been on the actual growth of micro-entrepreneurs in general.

2.2.2. Cognitive Entrepreneurial Networks

Relationships are critical for any business activity to thrive. Networks are essential to business success (Ostgaard and Birley, 1996; Steier and Greenwood, 2000). Development of these networks arises from an evaluation regarding an individual's ability, reliability and competence. Hence, in this study they are referred to as cognitive networks.

Cognitive entrepreneurial business networks consist of more than two individuals/firms with goal orientation (O'Donnell et al., 2001). Such networks play a key role in establishing how people solve problems, device possible practical solutions and implement solutions (Chan, 1996). These are networks for the future consisting of elements that include reasoning and ability to learn (Popeskic, 2011). Cognitive networks reduce feelings of uncertainty (Colquitt, LePine, Piccolo, Zapata and Rich, 2012) but instead offer signals that the other person may be suitable for high quality reciprocal exchange relationships (Schaubroeck et al., 2013). These networks have the capacity to help entrepreneurs handle business problems at the same time improve their growth prospects (Biggs and Shah, 2006).

Therefore, individuals engaging in cognitive networks tend to be confident in pursuing new ideas and thinking in new creative and proactive directions. Such individuals become less defensive when handling business adversity. This is because where defensive or withdrawal actions is low, entrepreneurs find proactive ways of dealing with emotional stressors in a manner that cannot obstruct them from devising survival coping strategies during adversity (Schaubroeck et al., 2013). These observations suggest that cognitive networks are more superior as opposed to affective networks and have positive effect of venture success. Is this the case or could literature overate the economic effects of cognitive networks? What are the effects on these networks on other factors besides economic factors, for instance psychological factors? Although various studies (Schaubroeck et al., 2013; Biggs and Shah, 2006) have showed the role of cognitive business networks in the performance of micro-entrepreneurs, a substantial scholarly work explaining the psychological effects and in turn spur growth orientation is lacking. In an attempt to fill the gap in literature, this research sought to examine whether cognitive entrepreneurial networks impact on the growth orientation of survival-focused micro-entrepreneurs under resource constraints in the slums of Nairobi.

Hence, it is important to highlight the relationship between these two constructs. In work relationships, cognitive networks (reliableness and dependability) are considered more important as opposed to affective networks (emotional trustworthiness). In contrast, McAllister (1995) suggests that an individual's expectations for peer reliability and dependability must first be fulfilled before investing in further relationships. However, could affective networks necessary for cognitive networks to develop?

2.3. The Concept of Causal Failure Attributions

Causal attribution is concerned with how individuals observes, perceives and explain causes of events. Attribution Theory is a construct which explores perception of causality of the reason a specific occurrence took place as a result of which future actions are determined by the perceiver (Weiner, 1972) According to Causal Attribution (Wiener et al., 1971), cognitive biases influence the causal explanation of positive outcomes. Specifically, individuals tend to explain positive outcomes as caused by their own actions, and negative outcomes as caused by external factors independent of their actions (Jones and Harris, 1967).

2.3.1 Attributional Dimensions

Brown (2007) and Slavin (2003) explains attribution theory in relation to task difficulty, luck, effort and ability. Perceived task difficulty is how difficult or easy an individual believes the task to be. The higher the percentage of failing at a task, the more likely that the failure will be blamed on the task difficulty. Equivalently, the higher the percentage of succeeding at a task, the highly likely that the success will be attributed to the ease of the task (Weiner, 1974). Luck is success or failure brought by chance and lack of personal control (Weiner, 1974). Effort is how hard one tries to achieve a goal. People who are successful view themselves and by others as having worked harder as opposed to those who experience failures (Weiner, 1974). Ability is an individual's ranking of won skills.

Effort and ability are internal to an individual while task difficulty and luck are external factors beyond an individual. This theory further suggests that explanations of the same events tend to differ for different actors (Brown, 2007) as a result of bias that exists on the part of actors. Therefore, while failure to make high returns in the business might be judged to be as a result of poor ability or effort by some entrepreneurs, it may be blamed on difficulty of business tasks or merely bad luck by others. Therefore, lack of access to supportive resources for example, supportive networks, can facilitate external attributions by denying entrepreneurs the 'cognitive space' to do so. But could these supportive resources also place extra burden on entrepreneurs when dealing with the consequences of various challenges? For example, micro-entrepreneurs could attribute negative outcomes arising as a result of external causes in order to preserve supportive relationships associated with these networks. Further, this study built on the works of

(Myers et al., 2014) and explored differences in attribution styles after venture failure and how it impacted on growth orientation of micro-entrepreneurs.

2.3.2 Failures and Attribution

When entrepreneurs experience failure, they show the tendency to analyze their environment with a view to find causal explanations that cause the failures (Vermeir and Lariviere, 2014). End results that digress from the expectation propel the actors who receive that outcome to allocate causality for the unanticipated outcome. In this study, business failure is a digressive outcome and micro-entrepreneurs seek for internal and external causes of the failure events and make attributions of blame. Silvia and Duval, 2001; Ellis, Mendel and Nir, (2006) explain that either external or internal causal attributions may arise after failure and that failure leads to learning and increased performance when individuals attribute these failures to internal factors within (Myers, Staats and Gino, 2014). As argued by (Ross, 1977; Wiener et al., 1971; Jones and Harris, 1967). Thus it could be that the consequences of causal attributions have a significant impact on subsequent thoughts, emotions and behaviors of individuals. Entrepreneurs are assumed to be no different. Individuals are particularly likely to make attribution judgments after experiencing failure, as it represents a case where outcomes did not meet expectations (Myers, Staats and Gino, 2014). As a result of unexpected failures, individuals are thought to typically attribute failures to external factors in order to maintain a positive self-image (Jordan & Audia, 2012; KC, Staats, & Gino, 2013).

Internal and external attributions can change how individuals engage in reflection following an experience (Jordan & Audia, 2012) and they may differentially motivate subsequent effort for learning and improvement (Weiner, 2001). Internal attributions act as motivators for learning because they focus attention on individual's ability and effort as causes of performance. Thus internal attributions after failure are necessary conditions for changing individual's behavior. This study predicts that failure will lead to growth only when individual micro-entrepreneurs attribute these failures to themselves. Failure attributions literature shows that micro-entrepreneurs attribute positive outcomes to internal factors and negative outcomes to external factors.

A number of studies have explored reasons people attribute their failures to in relation to entrepreneurs. For instance, Yamakawa, Peng and Deeds (2015) explains that the more

an entrepreneur attributed failure to internal factors, the more the entrepreneur was to try a different business. The reasoning is that internal attributions of failure can be positively or negatively associated with venture growth based on the extent of failure events. Diwas, Staats and Gino (2014) indicate that individuals learn more from their successes than their failures, but they learn more from the failures of others than others' successes. Further, they explain that individuals fail to learn from their own failures because they attribute factors external to themselves for their failures. It has also been noted that that individuals fail to learn from their own failures because they attribute factors external to themselves for their failures (Diwas, Staats and Gino, 2014) thus it is commonly known that external factors were always cited for entrepreneurs' failures which hindered learning.

However, although such studies seek to explain that individual fail to learn from their failures because they attribute failure to external factors and success to internal factors, they fail to show the impact of making these attributions to the entrepreneur and eventually to the business. This issues form the focus of this study.

According to Folkes (1984), attributions are an important element to understanding how entrepreneurs respond to failures. In the event of failures, micro-entrepreneurs normally try to deal with it or circumvent it. As discussed earlier, when micro-entrepreneurs attribute failure to themselves, their reactions are less negative. When they attribute their failures to external factors beyond themselves they feel more disappointed. Disappointed entrepreneurs tend to blame external factors for their failures and are more likely to avoid engaging in the activity or switch to an alternative one (Baumgartner, 2004). Avoidance is a coping strategy in the event of failures. On the other hand, when entrepreneurs blame factors within themselves for failures, they feel responsible for the failures and as a result prefer to participate in the failure recovery process (Heidenreich et al., 2015). The study therefore examined the effect of external failure attribution and internal failure attributions on growth orientation of survival-focused micro-entrepreneurs.

The link between failure attributions and learning from failure is acknowledged in literature (Eggers and Song, 2015; Yamakawa et al., 2015), nevertheless, the mechanism (process) behind this link is not clear. This study explores if specific entrepreneurial responses (affective and cognitive) influences micro-entrepreneurs' failure attributions and the effect of this on growth orientation. Thus, understanding the underlying process

between failure attributions, learning from both affective and cognitive networks and how this impact on growth orientation of micro-entrepreneurs is the objective of this study.

2.4. The Concept of Growth Orientations

Research on venture growth has increased though a coherent theory of entrepreneurial growth is still lacking (Ardishvioloi, Harmon, Cardozo and Vadakath, 1998). The emphasis has been on performance. For example, Penrose (1980) viewed growth as increase in quantity (high sales) or an increase in quality arising as a result of a process. Hay and Kamshad (2006) explained growth as the ability to intensively compete and rise. Eisenhardt, Brown and Neck (2000) contend that growth encompasses entering new markets and adding more staffs. Alvarez and Barney (2000) suggest innovation is important when analyzing growth. The focus has been on these highlighted dimensions but neglected the aspect of growth orientation. Entrepreneurial growth is a multidimensional and complicated phenomenon that requires careful planning and reflection on the part of an entrepreneur (Zampetakis, Bakatsaki, Kafetsios and Moustakis, 2016). One better way to understand growth is to get knowledge as to how entrepreneurs identify future growth opportunities. Pistrui, Welsh and Roberts (2008) used the planned growth theory regarding entrepreneurs' intentions attributes related with market expansion. Their findings revealed that the entrepreneurs surveyed had viable expansion plans for the future.

One best way to investigate micro-entrepreneurs' growth in the slums of Nairobi is to consider their growth orientations (Thieme, 2014). In Kenya a new entrepreneurial class with age below 35 years is emerging. These are micro-entrepreneurs who lack entrepreneurial experience and are resource constrained. Thus, planned/intention based behavior represents a suitable theory by which to study growth orientation of survival focused micro-entrepreneurs in the slums of Nairobi. Growth among entrepreneurs can be considered a deliberate and planned intentional behavior (Krueger et al., 2000). Hence, growth orientations are essential to understanding growth among entrepreneurs because aspirations are the first step in the growth process (Venugopal, 2016). It is more than often associated to opportunity-based forms of entrepreneurship. This is because opportunity based entrepreneurs choose to start businesses in regard to identification of available business opportunities (Gomez, 2008). According to Afenyadu (1999), growth orientation in the African context refers to horizontal/lateral growth, this means starting a

new second business as opposed to vertical growth (expanding the already existing one). Horizontal growth is observed to be followed by the few survivalist entrepreneurs while vertical growth is linked to growth oriented entrepreneurs. (Gomez 2008). Hence, Gomez further explains that micro-entrepreneurs with growth orientation are; mainly of male gender, located in bigger cities, highly educated, exhibit entrepreneurial attitude in relation to business competence and are inclined towards vertical rather than horizontal growth orientation.

Most survival focused micro-entrepreneurs rarely embark on significant growth paths (Aldrich and Cliff; Reynolds and White, 1997); they start small, remain small and die small. One main reason for this is that these micro-entrepreneurs are survival focused and as such lack growth intentions. Growth can be as a result of an entrepreneurs' attitude and motivation. Yet, entrepreneurs have modest growth aspirations (Human and Mathews, 2004; Dennis and Solomon, 2001). Wilkund (1998) explains that when this happens, growth is viewed as a change process. Harboring growth orientation is entrepreneurial as opposed to not doing so. Both entrepreneurs' willingness to grow and external factors influences a firm's growth (Baum and Locke, 2004; Delmar and Wilkund, 2003; Wilkund, 1999). Growth orientation is a situation that occurs continuously. Despite this fact, past studies on growth have assessed growth from an earlier point in time. This means that scholars have assumed future orientation dimension of growth. By analyzing growth orientations in the future, research may be able to establish the process through which micro-entrepreneurs grow. Growth orientation would not be reflected in profits and sales volumes realized. Measuring growth in terms of sales and profits is not applicable to survival-focused micro-entrepreneurs in informal economies, particularly those found in the slums of Nairobi Kenya. This is because using sales as an accurate measure of micro-entrepreneurs' growth is impossible due to minimal track record of sales among survival-focused micro-entrepreneurs (Thieme, 2014). For example, micro-entrepreneurs may record an increment in sales but when compared with others, they may be making loses. Thus, it is important to establish how these final outcomes are achieved besides focusing on the final outcomes.

2.4.1. Measuring Growth Orientation

Growth may be measured in absolute terms. For example, the number of employees, increase in the number of clients and new product offerings. These measures are subject

to isolated conditions surrounding the business. On the other hand, growth may also be measured in relative growth which includes performance in sales, customer satisfaction and increase in assets. In as much as these measures could be the end outcomes, it is important to establish how the end outcomes are attained. However, growth is not an independent event that can be suitably analyzed mainly in economic terms (Schumpeter, 1947). Thus, there is inherent need to study what influences growth orientations of survival-focused micro-entrepreneurs. Specifically, it is necessary to understand micro-entrepreneurs in resource limited economies. Under these economically unstable conditions, growth among micro-entrepreneurs is being nurtured out of economic necessity. According to Pistrui (2015), relative and absolute measurement of growth differs and generates different results. This simplistic measurement had led to conflicting research findings.

New views of measuring growth have emerged. Krogh and Cusumano (2011) analyzed growth in regard to learning and entrepreneurial knowledge. On the other hand, Von Krogh and Cusumano (2011) measured growth by doing more of what one is good at, duplicating business models in different regions and growing chosen business cells. Eisenhardt, Brown and Neck (2001) contend that growth is measured through professional development, product and service line additions. Growth is also measured while looking at entrepreneurs' intentions. Gundry and Welsch (2001) empirical research on ambitious entrepreneurs revealed that strategic intentions focused on growth.

Thus, limited research recognizes the different form of small business growth (Davidsson and Delmar, 2000). Research has focused on relative and absolute business growth which generated different models and conflicting findings. To add to this, extant studies measure growth as achieved growth. By so doing, the focus has been on past rather than the future. Hence, limited research has studied growth orientations of micro-entrepreneurs. By analyzing growth orientations in the future, research may be able to establish the process through which micro-entrepreneurs grow. Growth orientation would not be reflected in profits and sales volumes realized.

Measuring growth in terms of sales and profits is not applicable to survival-focused micro-entrepreneurs in informal economies, particularly those found in the slums of Nairobi Kenya. This is because using sales as an accurate measure of micro-

entrepreneurs' growth is impossible due to zero track record of sales among survival-focused micro-entrepreneurs. For example, micro-entrepreneurs may record an increment in sales but when compared with others, they may be making loses. Thus, it is important to establish how these final outcomes are achieved besides focusing on the final outcomes.

Secondly, using profits as a measure of growth overlooks factors like bureaucracy and informality lessens growth of survival-focused micro-entrepreneurs. Given the high level of informality, most micro-entrepreneurs would be reluctant to share profit information. Lastly, survival-focused micro-entrepreneurs rarely employ workers to their ventures. Thus the number of employees as a measure of growth would not be applicable under this setting and would generate misleading results. One possible method to examine growth of micro-entrepreneurs in the informal sector of Nairobi, Kenya is to factor in growth orientations of micro-entrepreneurs. A number of functional features which are intention based is a possible approach to studying micro-entrepreneurs' growth. A contextual and process oriented approach need to be incorporated in formulating growth measures. In Kenya, a new entrepreneurial class is coming up following the big four agenda by the Republic of Kenya to support SMEs and create 200,000 jobs by the year 2022. Thus, intention based behavior represents a good starting point for growth of survival-focused micro-entrepreneurs. Innovativeness, risk taking propensity and expansion plans have been associated with growth orientation.

2.4.2. Innovativeness

The importance of innovation in organizations has been widely recognized but innovation involves more than actual firm growth, it also fosters growth orientations among individuals (Schumpeter, 1934; Mccann, 2006). Innovation offers grounds of developing talents, generating capital and generating more resources (Venkataraman, 2004). Thus innovation plays an important role first in the growth orientations of individual micro-entrepreneurs and actual growth of these micr0-enytrepreneurs and their ventures. Research that have examined growth of micro-entrepreneurs in poverty setting like Africa (Furdas and Kohn, 2011) and Knorringa (2009) found that micro-entrepreneurs fail to grow but are focused in remaining survival and are not innovative. Furthermore, Gomez (2008) suggests that growth is not a priority for survival focused entrepreneurs and explains that these entrepreneurs lack entrepreneurial innovativeness. These studies

(Gomez, 2008; Knorringa, 2009; Furdas and Kohn, 2011) have revealed that a well-known problem of survivalists is that they rarely grow. They have focused on the survival aspect of entrepreneurs without considering the role of entrepreneurial networks on the growth orientation of survival focused micro-entrepreneurs. Could there be a unique manner through which survival micro-entrepreneurs grow, and if they do what could be the role of entrepreneurial networks in the process? Entrepreneurship and network scholars have ignored the growth orientations of survival-focused micro-entrepreneurs but instead focused on actual growth. This research clarified that survival-focused micro-entrepreneurs are also motivated to grow by adapting innovative strategies. Entrepreneurial networks may contribute to micro-entrepreneurs innovativeness.

2.4.3. Risk taking propensity

Risk taking involves taking bold actions by venturing into the unknown, borrowing heavily, and/or committing significant resources to venture into uncertain environments (Rauch et al., 2008). Micro-entrepreneurs are observed to experience growth related challenges (Gomez 2008), lack business capital (Brand, du Preez and Schutte, 2007), inability to raise the high cost of formal business registration (Gomez, 2008) and as a result are normally unregisterted and unlicensed (Pretes, 2002), unregulated sector not affected by tax policies (Albrecht, Navarro and Vroman, 2006) and has the capacity to generate minimal income (Rolfe, Woodward, Ligthelm and Guimaraes, 2010). Banks and micro-financial institutions are often reluctant to provide any form of financial assistance to the youth operating businesses under resource constraints for fear of lack of collateral security. This is as a result of the high risk involved in financially supporting such ventures (Brand, du Preez and Schutte, 2007). Thus survival focused micro-entrepreneurs under resource constraints may experience difficulty in accessing finance for their ventures. Despite these challenges, micro-entrepreneurs might still take entrepreneurial risks. Networks are motivators that push individuals to take risks and exploit an opportunity (Johannisson, 2000). Networks offer emotional safety nets for micro-entrepreneurs during periods of uncertainty. Singh, Hills, Lumpkin and Hybels (1999) explains that the presence of entrepreneurial networks allow micro-entrepreneurs take risks as opposed to entrepreneurs who lack entrepreneurial networks but instead rely on their experience and market knowledge.

2.4.4. Expansion Plans

Research on enterprise growth has recently increased; nonetheless a sound theory of entrepreneurial growth is lacking (Ardishvioloi, Harmon, Cardozo and Vadakath, 1998). The focus has been on past performance. Examining past performance in terms of sales or profits offers incomplete insights on growth in either relative or absolute forms. Research on venture growth to date is limited on lack of empirical data and uniformity in regard to dependent and independent variables. To better perceive growth among survival-focused micro-entrepreneurs could be to gain knowledge as to how these micro-entrepreneurs recognize future growth opportunities. According to Krogh and Cusumamo (2001) a growth plan represents an inspiration for expanding a business. This different approach can provide awareness into how survival-focused micro-entrepreneurs engage in future tasks that are growth oriented. Pistrui, Welsch and Roberts (1997) operationalized growth orientations based on product development, market expansion and technological improvement while (Gundry and Welsch, 2001) built on the model on their research of ambitious entrepreneurs. Inspired by Schumpeter (1934) five attributes related with entrepreneurial behavior namely; Introduction of new goods, Introduction of new methods of production, Opening new market, Opening new sources of supply and Industrial reorganization, a number of Executable Attributes of Planned Growth (EAPG) was established. Appendix IV provides an overview of 18 particular entrepreneurial behaviors related with (EAPG). The EAPG work to pinpoint and operationalize the specific types of growth oriented behaviors micro-entrepreneurs plan to pursue.

2.5. Empirical Literature review

This section will review studies relating to the role networks on entrepreneurship, resource constraints, failure attributions and entrepreneurial growth.

2.5.1. Affective entrepreneurial networks and growth orientation

Liao and Welsh (2003) investigated the role of social networks on growth aspirations of technology based entrepreneurs in the United States. Digit dialing telephone survey from a Panel Study of Entrepreneurial Dynamics was used. The PSED is a longitudinal data set of individuals aged 18 years and above who are in the process of starting a business. The results show that the size of networks determines the benefits accrued to entrepreneurs. Sparse disconnected networks lead to greater growth aspirations of non-technological entrepreneurs as opposed to technological based entrepreneurs. The conclusion of this study was that technological based entrepreneurs benefit more the exchange of

information through networks while non-technological based entrepreneurs gain more from an extensive social network

Khavul et al. (2009) made a comparative study of informal micro-financed micro-entrepreneurs in East Africa. The objective of the study was to establish the evolution of family businesses in developing countries. They examined eight case studies in Kenya and Uganda covering the period from 2000-2003. The authors used a five step qualitative approach that included definition of research questions, generation of protocol to analyze cases, application of the protocol to analyze individual cases, comparing results on individual cases and generation of testable prepositions. The study revealed that East African entrepreneurs use strong family ties and communities to establish and grow their business. The conclusion of the study was that affective networks are powerful and they have a strong impact on women micro-entrepreneurs.

Chua, Ingram and Morris (2008) carried out a cross sectional study of managers attending an executive MBA course at a University in the US. The purpose of the study was to investigate and locate cognitive and affective based relationship in managers' professional networks. The results revealed that affective based relationship was negatively associated with economic resource ties. The conclusion was that affective networks compromise economic relations.

In another study, (Grimm et al., 2013) carried out a longitudinal survey between the year 2011 to 2012 among a sample of 380 tailors in Ouagadougou. The aim of their study was to investigate whether affective ties reduce the incentive and ability to invest in business opportunities. The results of their study compliments (Chua et al., 2008) study. It showed that tailors with a high number of affective networks are more likely to employ individuals from these networks to work for them. However, their research revealed that these workers are less productive. The conclusion of their study was that affective networks cause more harm than good in businesses.

Harima, Freiling and Elo (2014) conducted a study on network dynamics of descending diaspora entrepreneurship with Japanese entrepreneurs. A multiple case study method was applied in line with the principle by Eisenhardt (1989) inspired by grounded theory (Charmaz, 2014). Findings indicated that affective entrepreneurial networks play no

significant role to an entrepreneur. The conclusion was that affective networks do not function as human capital in the context of diaspora entrepreneurs. Harima (2014) presented the reason for the insignificant role of these networks with higher percentage (99%) of literacy rate among entrepreneurs.

Empirical findings on affective networks and growth among entrepreneurs admits that networks lead entrepreneurs to establish businesses and grow (Liao and Welsch, 2003; Khavul et al., 2009) but these authors do not fully unpack the connections between affective networks, the dark side of affective networks and their role on growth orientations of micro-entrepreneurs, especially under resource constraints conditions. Liao and Welsch (2003) focus was to establish the benefits of social networks and entrepreneurial growth in the context of nascent technology entrepreneurs in developed countries.

While appreciating the fact that affective networks is an important resource to entrepreneurs in the informal economies, extant lietrature (Khavul et al., 2010; chua et al., 2008; Grimm et al., 2013; Harima, 2014) indicate an obstruction of affective networks to business growth and development especially in the informal economies. For instance, Chua et al. (2008) explains that affective networks impacts negatively on economic relations, the authors failed to focus on other factors like psychological factors but relied more on economic aspect of networks. Harima (2014) suggests that affective networks are not important in the life of an entrepreneur, the author observed only one ethnic group, thus the findings can only be specific to their contexts. The results may differ in other diaspora groups from developing countries. For example, the Japanese have a strong reliance on digital networks like twitter as opposed to the Kenyan setting where reliance on affective networks is unavoidable. Thus, no empirical studies have been carried out in a developing country setting in general and Kenya to be specific. Grimm et al. (2013) acknowledges that affective networks have the potential to reduce the incentive to invest in business but acknowledges their usage as readily available human resource.

Taking into consideration the above literature gaps, this study used qualitative approach to capture both the positive and negative experiences of micro-entrepreneurs with affective networks. Second, although this study generally agrees with the assertion that affective networks are instrumental to a micro-entrepreneur, it sought to extend this

argument by proposing that affective networks may negatively impact on economic relations but also showed the strategies micro-entrepreneurs employ through affective networks to overcome the restraining effects of these networks in order to grow. Third, this study also differs from others in respect of the unit of analysis. Responding to latest calls for micro-founded, psychologically informed conceptualizations of networks (Barsade, Casciaro, Edmondson, Gibson, Krackhardt and Labianca, 2012). For example, all the above mentioned empirical studies used the enterprise as the unit of analysis while this study employed the individual entrepreneur. Thus, this study shed more light on the role of affective entrepreneurial networks on growth orientation of survival focused micro-entrepreneurs in the slums of Nairobi, taking into consideration the dynamic nature of networks.

2.5.2. Cognitive entrepreneurial networks and growth orientation

Nonetheless, in the process of analyzing a sample of informal entrepreneurs in Burkina Fasso, Berrou (2010) found that affective relationships and ties represent only 25 % of the ties entrepreneurs rely on. Entrepreneurs rely on cognitive networks besides affective networks. For example, in a quantitative study conducted with a small Italian design firm (Carnabuci and Dioszegi, 2015) on networks, cognitive style and innovative performance. The study revealed that employees with cognitive networks are most innovative. Their conclusion was that cognitive networks were the main and important contingency for explaining innovative performance among high status employees.

In another study (Schaubroeck et al., 2013) recruited participants from US Army training program. The training was conducted in groups ranging between 50-60 trainees. The purpose of the study was to establish how affective and cognitive relationships develop over time. The soldiers were examined at the beginning, middle and at the end of intensive fourteen-week training with an aim of establishing the development and impact of cognitive and affective networks among peers and leaders. Their finding revealed that cognitive based relationships have an important influence on the extent to which individuals cultivate affective based relationships with others. The analysis of this study reveals a reverse causal relationship. They indicate that cognitive relationships have causal precedence in the development of affective relationships.

To add to this, Colquitt et al. (2011) conducted a study to distinguish trust relationships among 126 firefighters in situations marked with low levels of uncertainty from trust relationships situations marked with high levels uncertainty. They sampled 114 males and 12 females. The main objective of the study was to examine how cognitive and affective relationships impacted on firefighters under situations of both certainty and uncertainty. The findings indicated that under situations of certainty, affective relationships were less productive. On the other hand, in situations of uncertainty, competence derived from cognitive relationships was not significant. The conclusion was that neither of these relationships predicted performance across certainty or uncertainty situations but the key determinant of performance was task the in question. Hence, this study shows that cognitive and affective relationships on firefighters' performance may be complex thus accounting for these results. Furthermore, in a cross sectional study by (Chua et al., 2008) of managers in attendance of an executive MBA course at a University in the US, reveals that cognitive networks are positively associated with economic resources as opposed to affective networks. Their research also showed that cognitive relationships between top managers and their subordinates flourish leading to successful ventures.

George and Zhou (2007) analyzed the effects of cognitive relationships, positive mood and negative mood on creativity of employees. The research sampled a total of 147 employees and supervisors. The study found that cognitive relationships were correlated with creativity. This may suggest that employees exert time and effort to be creative when they think efforts will result in real improvements. However, their results further showed that creativity was only high when the context was supportive and negative mood were low.

Past empirical findings have recognized cognitive entrepreneurial networks as consisting of positive interactions that may further develop into creative economic transactions (Schaubroeck et al., 2011); Carnabuci and Dioszegi, 2015) but (Colquitt et al., 2011) explains that under conditions of uncertainty cognitive networks are not effective. However, Schaubroeck et al. (2011) explains that cognitive networks could influence positive performance but only after these networks have first cultivated affective networks. Carnabuci and Dioszegi (2015) used a single organization for their study. Besides, their focus was on the role of cognitive networks on innovation but failed to also look at other factors like the influence of cognitive networks on growth. Moreover, the

sample of this study was high status employees. Could there be a difference between high status individuals versus low status individuals in regard to the role of cognition? The sample size in (Colquitt et al., 2011) for some tests of hypothesis was fairly low. Obtaining data from firefighters in other cities could have boosted the study's statistical power. The sample was also relatively homogeneous with respect to ethnicity and gender. This may limit the generalizability of the study's findings. Schaubroeck et al. (2013) reverse causal relationship could also be as a result of the homogeneous sample they focused on. The focus was on the male sample. The gender homogeneity is a limitation.

Further, the above empirical findings have recognized cognitive entrepreneurial networks as consisting of positive interactions that may further develop into creative economic transactions (Chua et al., 2008; George and Zhou, 2007) but Colquitt et al. (2011) explains that under conditions of uncertainty cognitive networks are not effective. However, Schaubroeck et al. (2011) explains that cognitive networks could influence positive performance but before affective networks have been cultivated. George and Zhou (2007) failed to analyze antecedents of positive and negative moods and how mood mediates the influence of contexts on creativity, however this is a significant area of future research (Oldham, 2003).

As a consequence of the gaps in the cognitive networks literature, this study is different from the above empirical studies in the field of cognitive relationships in four ways: First, current studies largely focus on the experiences of developed countries (Colquitt et al., 2011;Schaubroeck et al., 2013; Carnabuci and Dioszegi, 2015) in contrast, the focus of this study was in a less developed country. Second, current studies have focused on high status individuals for example managers, CEOs and the army (Colquitt et al., 2011; Schaubroeck et al., 2013; Carnabuci and Dioszegi, 2015). This study focused on low status micro-entrepreneurs from the slums of Nairobi. Third, this study shows that affective networks have causal precedence over cognitive networks. Nevertheless, majority of research on cognitive networks and affective networks have allowed these variable to correlate in multivariate analyses (Mossholder and Peng, 2009; Colquitt et al., 2012). In contrast, this study shows that affective networks have causal precedence over cognitive networks. Fourth, it is important to note that studies on cognitive networks have focused on the importance of these networks on venture success but research on cognitive networks on other factors like psychological factors is limited. Thus, this study responded

to recent calls for psychologically informed conceptualization of entrepreneurial networks (Barsade, Casciaro, Edmondson, Gibson, Krackhardt and Labianca, 2012). From the critical analysis of the empirical studies above, the question then would be what is the role of cognitive networks on growth orientation of micro-entrepreneurs in the slums of Nairobi besides the economic role that have been overemphasized in literature?

2.5.3. Failure attributions and growth orientations

The consequences of causal attributions have a significant impact on subsequent thoughts, emotions and behaviors. Entrepreneurs are assumed to be no different. For instance, Yamakawa, Peng and Deeds (2015) analyzed how previous entrepreneurial failure, attributions for failures and intrinsic motivation influenced one to operate a different venture. They did a questionnaire –based survey of new venture in Japan for 200 founders who have experienced failures in their businesses. They captured new venture growth as the study's dependent variable, internal attribution of blame was created as the percentage variable and four control variables were identified. The results of their study found that the more an entrepreneur attributed failure to internal factors, the more the entrepreneur was to try a different business. The reasoning is that internal attributions of failure can be positively or negatively associated with venture growth based on the extent of failure events. They explain that internal attribution can lead to negative outcomes when entrepreneurs experience several failure events. Further, their analysis showed that internal attributions of failure are linked with venture growth up until a certain point. Beyond this point, internal attributions do not warrant venture growth.

Diwas, Staats and Gino (2014) carried an empirical analysis to investigate how individuals learn from their own past experiences and from the experiences of others with both failures and success. Their data consisted of 71 cardiac surgeons in Massachusetts hospitals in the US. They found that individuals learn more from their successes than their failures, but they learn more from the failures of others than others' successes. One reason for this finding was that individuals fail to learn from their own failures because they attribute factors external to themselves for their failures. The authors explain that individuals make external attributions in order to maintain a positive self-image.

In a sample of 389 entrepreneurs from the US, Cardon et al. (2011) carried out a study with objective to examine the attributions of entrepreneurs who had experienced failure

experiences in different areas of their ventures. Their findings revealed that whether entrepreneurs attributed failures to their own mistakes or as a result of external factors outside their control, did not matter much. Their conclusion was that the consequences of failures varied between different regions in the country. This research sample was from developed country. This intended study will focus on some different sample-micro-entrepreneurs from an emerging economy and operating under resource constraints conditions.

Franco and Haase (2010) adopted a qualitative study of eight Portuguese small and micro-entrepreneurs. The objective of the study was to investigate a potential bias between the actual causes of small and medium seized entrepreneur failures and the reasons the entrepreneurs attribute their failures for. Their research findings revealed that external factors were always cited for entrepreneurs' failures. In as much as some entrepreneurs displayed some level of awareness regarding their own internal weaknesses they did not cite them as causes for their business failures.

Rogoff, Lee and Suh (2004) carried out two separate surveys with an aim of collecting micro-entrepreneurs' narrations of their venture successes. The first survey was conducted with 189 pharmacy owners and the sample in the second survey was expanded to 236 business owners. Both studies were carried out in the US. The results revealed that bias occur when individual succeed (internal attribution) but blame external factors for failures (external attribution). The conclusion of the study was that self-serving attribution bias existed in entrepreneurial failures.

Past empirical findings have recognized that individuals attribute negative outcome to external factors and positive outcome to internal factors (Diwas, et al, 2014; Franco and Haase 2010; Rogoff et al., 2004) but (Yamakawa, Peng and Deeds, 2015) explains that making internal attributions for negative outcomes may not eventually lead to growth and that growth is based on the extent of failure events experienced. However, some authors (Cardon, Stevens and Potter, 2011) found that whether individual entrepreneurs attributed negative outcomes like failures as caused by external factors or to their own mistakes did not matter much.

Diwas, et al. (2014) focused on one performance outcome that is quality of surgery. It is important to study other outcome measures. For example, in a service set up one could use customer satisfaction as the outcome measure. Similarly, in this study's setting, growth orientation is a suitable measure. In addition, information was obtained from surgeons only yet surgeons work in teams. Gaining more data from the surgery team could give varied results this is because shared experiences among team members have a chance of increasing performance (Huckman and Staats, 2011). Yamakawa, Peng and Deeds (2015) focused on a specific context –Japan, which limits the generalizability of their results. This is because different societal norms exist that may affect the possibilities of an entrepreneurs' future business attempts and their future performance in different ways. For instance, cultural norms/values in japan may encourage external attribution to 'protect their face' as opposed to the culture in Kenya. Cardon et al. (2011) research came from a non-representative sample of entrepreneurs who had already reached a level of growth, and as such results cannot be generalized to all entrepreneurs. Their study was also primarily carried out in a North American context, thus may or may not generalize to entrepreneurs in other countries. Similarly, Franco and Haase (2010) data was derived from Portugal thus the findings cannot be generalized these to other settings. Rogoff et al. (2004) looked at the factors that lead to or impeded success, but the reverse could also be examined, for instance the factors that contribute to or impede failures.

Therefore, the above studies indicate that micro-entrepreneurs attribute positive outcomes to internal factors and negative outcomes to external factors. Studies on the influence of or lack of the presence of entrepreneurial networks on failure attributions micro-entrepreneurs make is glaringly lacking.

2.6. Summary of Literature Review and Knowledge Gaps

The literature reveals inconsistent results. Some studies shows that affective networks are beneficial for the success of micro-entrepreneurs and their ventures while other studies indicate that affective networks can be detrimental to business growth and development of micro-entrepreneurs. For example, studies on Japanese entrepreneurs failed to show the point at which affective networks can become destructive or turn beneficial. Although this intended study generally agrees with the assertion that affective networks can be instrumental and detrimental to micro-entrepreneurs, it will seek to extend this argument by proposing that through the affective networks, micro-entrepreneurs may device strategies to overcome the restraining effects these networks place on them in order to

grow. Similarly, the focus of these studies have been on micro-entrepreneurs from developed countries like the US and Japan when researching on cognitive networks. The focus of these studies has been on the independent tasks and effects of cognitive networks on economic aspects. However, these findings may not be true under conditions of uncertainty for instance, experiencing failure events. In addition, other factors that cognitive network could affect besides economic factors for example, psychological factors can bring rich results. In addition, studies on entrepreneurial networks have been studied independently as opposed to researching effects of these networks with other variables, for example failure attributions. There exists inconsistency on the studies of effects of internal and external failure attributions. The focus on these studies indicates that micro-entrepreneurs attribute positive outcomes to internal factors and negative outcomes to external factors. The findings have been the reverse would lead to good performance. However, studies on the influence of or lack of entrepreneurial networks on failure attributions micro-entrepreneurs make is lacking.

CHAPTER THREE: RESEARCH METHODOLOGY

Chapter three provides the methodology that was adopted to conduct the study. It describes the overall research paradigm and design that guided the study. It covers research design, study area, target population, sample size, sampling procedure that were used in the study. It also describes the data and data collection procedures, data analysis and results presentation. The reliability and validity of the research instruments are also presented. The chapter also explains the ethical issues that were considered during the study.

3.1 Research Design

The design of research begins with a research paradigm. This study adopted a pragmatic paradigm. The pragmatic paradigm is linked to mixed method research approach that involves simultaneously or sequentially collecting data using methods that are drawn from both quantitative and qualitative methods (Creswell, 2003). Mixed methods research is defined as the collection or analysis of both quantitative and qualitative data in a single study in which the data are collected concurrently or sequentially, are given a priority, and involve the integration of the data at one or more stages in the process of research (Creswell, 2003; Creswell and Plano-Clark, 2011). Pragmatism acknowledges that knowledge is pinned on experiences and as a result should be accountable for refutation or falsification. Hence, with respect to pragmatism philosophical perspective, mixed methods researchers consider that qualitative and quantitative approaches can be used together (Creswell and Plano, 2011). This study therefore used exploratory sequential design. The goal of exploratory sequential design is to use qualitative data to develop or inform the quantitative study and is the best approach when previous knowledge about a research topic is scarce (Creswell and Plano-Clark, 2011). Thus, in this study, exploratory sequential design was used to test and measure aspects of the emerging theory on affective networks and cognitive networks. To add to this, the design was used to test the relationship of internal and external failure attributions on growth orientation of survival-focused micro-entrepreneurs. Moreover, the relationship between entrepreneurial networks and failure attributions to growth orientation of survival-focused micro-entrepreneurs was determined using exploratory research design.

3.2 Study Area

The study was carried out in the slums of Nairobi County, Kenya. Nairobi meets some of the main pre-conditions for pro-poor governance, for example; it constitutes formal democratic institutions and a majority of poor citizens. Approximately 4-5 million people live in Nairobi with over 60 % residing and doing businesses in the slums (GOK, 2009; Huchzermeyer, 2011). This startling statistics reflects trends of growing entrepreneurship in informal settlements (Satterhwaite, 2007). Such businesses contribute between 20% and 60% to GDP (Kiraka, Kobia and Katwalo, 2011) thus generating income opportunities and are the fastest current growing economy (Myers, 2011). Nairobi constitutes five major slums with the specific indicated GPS coordinates: Kibera 1.3122°S, 36.7914°E; Kawangware 1° 17´S, 36° 45' E; Mathare -1° 15' 21.60" S, 36° 51' 25.79" E; Korogocho 01° 13'00"S, 36°55'00"E and Mukuru 1° 18'17"S, 36°53'6"E slums. In these informal settlements the levels of economic poverty are high. Therefore, the city is a representative of informal setting. It is typical in the sense that its attributes such as high poverty level and high income inequality, are in tandem with assumptions of the survival-focused entrepreneur's model under this study.

3.3 Target Population

The population of interest consisted of all survival-focused micro-entrepreneurs aged 17-35 years in the five slums of Nairobi County. As at the year 2017, the total number of micro-entrepreneurs operating licensed micro-enterprises was 1612 (Kenya Bureau of Statistics, 2017). However, the critical case sampling technique was used to purposively select the survival-focused micro-entrepreneurs who have completed the entrepreneurship incubation program from Nairobits Trust Fund, in Nairobi County. This is because NTF is an organization that trains and nurtures youth from Nairobi slums on entrepreneurship skills. It also has access to both local and international funding to support the youths. Thus micro-entrepreneurs from NTF meet the pre-conditions that enabled the researcher test the hypothesis. Nairobits Trust Fund core objective is to transform the livelihood of the youth through empowering them with entrepreneurship and ICT skills and in turn make them independent. They have a focus to enable the youth lead a more productive life and impact positively in their communities. The organizations target the youth between the ages of 17-25. As opposed to other incubation centres for example SHOFCO, Ihub, Ramani Mashinani, Map Kibera Trust and Hub Karen, Nairobits Trust Fund offered the ideal target group and setting the study on entrepreneurial networks and failure

attributions on growth orientation wanted to focus on. In addition, the organization's core objective of unlocking the entrepreneurial potential of the youth from informal sectors to growth levels are in tandem with the overall objective of this study. This study targeted all survival-focused micro-entrepreneurs who have benefited from NTF entrepreneurial incubation program since the year 2015. The year 2015 is deemed critical because during this period NTF produced the first group of entrepreneurship graduates. The total number of NTF beneficiaries as of the year 2015 to the year 2018 was 304. All the 304 survival-focused micro-entrepreneurs will be targeted as respondents.

3.4 Sampling Technique

Critical case sampling was carried out at the population level to purposively select 304 micro-entrepreneurs who had completed entrepreneurship training course from NTF. Critical case sampling is used to get the information one is looking for. This is done through selecting important cases that are likely to yield most important information and have the greatest impact on knowledge development (Creswell and Plano-Clark, 2011). Nairobits Trust Fund deals with micro-entrepreneurs between ages 17-25 from the five slums of Nairobi namely; Kibera, Korogocho, Kawangware, Mukuru kwa Njenga and Mathare. NTF trains and nurtures this group from Nairobi slums on entrepreneurship skills. NTF core objective is to transform the livelihood of the youth through empowering them with entrepreneurship skills that enables them lead a productive lives and in the end impact positively in their communities. These are the key attributes that makes Nairobits Trust Fund critical for this study. NTF offered the ideal target group and setting (Creswell and Plano-Clark, 2011) for the study on entrepreneurial networks and failure attributions on growth orientation wanted to focus on.

Data saturation sampling technique was used to determine a sample of 20 respondents at the qualitative phase. O'Reilly and Parker (2012) explain data saturation as the process of collecting data up to the point where no new codes, themes and categories are generated. Thus, in this study, participants were interviewed until the point when data saturation was reached, and this was considered to have occurred after 20 interviews. The qualitative sample of 20 participants was different from the quantitative sample. Creswell and Plano-Clark, (2011) explains that in an exploratory sequential research design, the individuals used in the first stage of data collection are typically not the same participants in the second stage. This is because the goal of the quantitative stage is to test, measure and

generalize the results to the population. In addition, there was no need to pilot the qualitative sample. Miles and Huberman (2010) indicate that for qualitative studies, the nature of interviews is progressive and subsequent interviews are better than previous ones. Thus the analysis of earlier interviews aided in improving the later ones.

After deducting the qualitative sample, the target population was therefore 284 as distributed in table 3.1. To ensure equal representation of each of the five slums in the study, stratified random Sampling which involves dividing the population into homogeneous subgroups and then taking a simple random sample of f = n/N in each subgroup was be used (Patton, 2002). The objective was to divide the population into non-overlapping strata: $N_1 + N_2 + N_3 ..... N_i$ such that $N_1 + N_2 + N_3 + ... + N_i = N$ then doing a simple random sample of $f = n/N*166$ in each stratum (Where f is the sampling fraction, n is the population in each stratum, N is the target population and 166 is the required sample size). Therefore, the sample distribution of NTF beneficiaries is shown in table 3.1.

Table 3.1: Sample Distribution of survival-focused micro-entrepreneurs, NTF beneficiaries

Nairobi County Slums	Target Population	Sample
Mukuru kwa Njenga	41	24
Korogocho	60	35
Kawangware	43	25
Mathare	42	25
Kibera	98	57
Total	**284**	**166**

3.5 Sample Size Determination

In the quantitative phase, the study adopted Yamane (1967) formula. Where *n* is the sample size, *N* is the population size, and *e* at 0.05 is the level of precision. To calculate the sample size for micro-entrepreneurs will be as shown below: -

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

$$n = \frac{284}{1+284\,(0.05)^2} = 166$$

3.6 Data Collection Methods

Data collection involves gathering data on the variables included in the relationship that purports to describe the phenomenon under discussion (Saunders et al., 2007).

3.6.1. Sources of Data

Both primary data and secondary data were collected. Primary data are collected at the source and secondary data contains data already available and analyzed by a third party (Miles and Huberman, 1994). Primary data were collected through narrative interviews and self-developed questionnaires (Creswell and Plano-Clark, 2011) from individual micro-entrepreneurs. Secondary data were collected through information received from relevant entrepreneurial books, journals and online sources.

3.6.2. Data Collection Procedure

Permission for data collection and introduction letter was obtained from the university. Before conducting the actual study with the micro-entrepreneurs, the researcher contacted NTF with an aim of getting the exact locations of the micro-entrepreneurs. A pre-visit was made to micro-entrepreneurs to brief them about the study and what it sought to achieve. Micro-entrepreneurs were guided on how to complete the self-developed questionnaires which took a span of 40 minutes. Narrative interviews took a span of 40-45 minutes. Participants were interviewed at their convenience time and location. First, the researcher explained the goal of the study and responded to any questions from the participants. All the narrative interviews were audio recorded with the consent of the participants. Participants were interviewed until the point when data saturation was reached, and this was considered to have occurred after 20 interviews.

3.7 Instruments for Data Collection

Qualitative data was collected using narrative interview schedule and Quantitative data was collected using questionnaires of mostly Likert Scale type.

3.7.1 Narrative Interview Schedule

Narrative interviews were used to collect qualitative data on objective 1 and objective 2. All interviews were collected by the researcher to ensure consistency. An interview guide and follow up questions from the narrative interviews are shown in Appendix II. This is an approach that equips the researcher with research tools that allows him/her probe real life complexities. Within the narrative interview context, each participant was asked to describe the "best and worst moments" they have experienced so far. Critical incidents triggers learning by enabling participants recount antecedents of past events, how they resolved such incidences and what they learnt (Cope and Watts 2000). Thus, critical incident technique was used to focus on key entrepreneurial experiences in order to understand antecedent events, how the incident unfolded and were resolved, which actors were involved, what was learned and what implications these experiences had on micro-entrepreneurs.

In investigating the role of affective networks and cognitive networks the study used qualitative research approach to provide rich insights to the study (Neergarrd and Ulhoi, 2007). Qualitative methodology through the use of narrative interviews provided a greater opportunity to explore personal experiences of survival-focused micro-entrepreneurs with entrepreneurial networks and to explain significant roles of these networks to micro-entrepreneurs. Furthermore, when little is known about the area under study, in this case, growth orientation of survival-focused micro-entrepreneurs, qualitative approach is appropriate because of their nature of flexibility. Additionally, if the area under study involves sensitive matters, qualitative method is ideal. Establishing growth orientation of survival-focused micro-entrepreneurs operating under resource constraints conditions is a sensitive matter because majority are afraid to talk about their humble backgrounds and failure experiences. Hence, the use of qualitative approach allowed the researcher to focus on understanding a unique setting of the slums in Nairobi (poverty setting) but not necessarily make predictions about the setting. Lastly, key themes emerging from the qualitative narrative interviews were used to design the survey goals and specific questionnaire items.

3.7.2 Questionnaires Method

The study also investigated the effect of internal and external failure attributions to growth orientation of survival-focused micro-entrepreneurs. The relationship between

affective networks, cognitive networks and growth orientation was also assessed. After the qualitative data collection, a questionnaire consisting of five different parts was developed. As indicated in Appendix V, the first section focused on 'affective networks', the second section focused on 'cognitive networks', the third section was on 'internal failure attributions', the fourth part focused on 'external failure attributions' and the last part focused on 'growth orientations'. Close-ended questions measured on a 5-point Likert scale which consisted of entrepreneurial network and attributional statements were used. Participants were asked to indicate the extent to which they agreed or disagreed with the statements by choosing one of the responses ranging from: strongly disagree=1, disagree=2, agree=3, strongly agree=4 and partly agree=5. Trochim and Donnelly (2007) argued that Likert response scale can fall within odd numbers 1-7, 1-9 with neutral middle value. The questionnaires were administered both by the researcher and research assistants. Demographic questions which include age, number of micro-enterprises in operation, employees if any and number of failure events were asked at the beginning of the survey. The questionnaire of affective networks consisted of 40 items generated from the three (3) themes and cognitive networks variables consisted of 40 items generated from the four (4) themes in the qualitative study. Internal failure attributions consisted of 40 items generated from three (3) themes, external failure attributions also consisted of 40 items generated from four (4) themes while the growth orientation questionnaire consisted of 36 items. A pilot study of the questionnaires was carried out with 16 participants to validate the applicability of scales. In the end, the results of the quantitative study helped to explain the effect of internal failure attributions, effect of external failure attributions and the relationship between entrepreneurial networks and failure attributions to growth orientation of survival-focused micro-entrepreneurs.

3.8. Reliability of Research Instruments

Reliability refers to the repeatability of findings. It is the extent to which measurements are repeatable and that any random influence which tends to make measurement different from occasion to occasion is a source of error (Weezel, 2009).

3.8.1 Reliability of qualitative Research Instruments

Reliability in qualitative research refers to trustworthiness (Marshall and Rossman, 2010). Graneheim and Lundman (2004) explain that a study's findings should be as trustworthy as possible. In qualitative research, various researchers indicated that the concepts of dependability and confirmability can be applied to determine trustworthiness of data

(Lincoln and Guba, 1985; Schwandt et al., 2007; Marshall and Rossman, 2010). These two concepts were used to assess the trustworthiness of the study findings in the qualitative phase of this study.

Confirmability refers to establishing that the interpretations of the study results are not the researcher's pure imaginations but degenerated from the data. In this research, all the research steps that were followed and the changes made from the beginning to the report writing of this study were explained (Flick, 2009). Triangulation of data were also carried out by the use of follow up questions besides interview transcripts.

3.8.2. Reliability of the quantitative Instrument

Pilot testing was conducted on (16) respondents from the sample who did not form part of the research sample. Pilot testing was done to establish whether the questionnaires were inconsistent, required any rewording or were composed of leading questions. The time taken to complete the questionnaires was also determined through the pilot test. Thus piloting was carried out on 10% of 166 micro-entrepreneurs. Connelly (2008) explains that 10 % of the total population is ideal for a pilot test sample.

Results presented in Table 3.2 shows the reliability coefficient of the five measurement scales used to investigate the effect of internal failure attributions, external failure attributions and their relationship with entrepreneurial networks on micro-entrepreneurs' growth orientation as follows: External failure attribution (α=0.68); Internal failure attribution (α=0.65); Affective networks (α=0.74); Cognitive Network (α=0.78) and growth orientation (α=0.76). Thus, internal consistency of hypothetical items measuring internal and external failure attributions was assessed using Cronbach alpha test to check internal consistency reliability. A reliability of 0.7 was accepted which is the threshold (Hair et al., 2010).

For internal and external failure attributions, there was some reliability in the scales but did not meet the 0.7 threshold required. The way forward was to extract factors to verify scale construction (Costello, 2012). Both affective and cognitive networks met the required threshold of 0.7. The scales were therefore reliable and were subjected to regression analysis. Unlike in objective 3, factor extraction was not necessary in this case.

Table 3.2: Reliability of variables

Variables	Number of items	Cronbach's Alpha
External failure attribution	40	0.68
Internal failure attribution	40	0.65
Affective Networks	40	0.74
Cognitive networks	40	0.78
Growth Orientation	36	0.76

3.8.3 Confirmatory Factor Analysis Results

Confirmatory factor analysis was used in objective 3 for three reasons; First, internal and external failure attributions each had 40 variables. These were considered high and needed to be grouped into similar converging dimensions (Costello, 2012). Secondly, Cronbach alpha values for internal and external failure attributions failed to meet the threshold of 0.7 thus factor analysis was considered appropriate in identifying the dimensions of a test (Costello, 2012). Third, since one of the primary purposes of this study was to test the new theory generated from the qualitative phase and to confirm hypothesis confirmatory factor analysis was used. CFA was used to test the themes generated from the qualitative findings and confirm hypothesis on the effect of internal and external failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi.

CFA tests the strengths and relationship between common factors confirming hypotheses (Williams et al., 2010). This made it an appropriate tool for examining relationships between failure attributions and growth orientation of survival-focused micro-entrepreneurs.

To generate reliable results for confirmatory factor analysis the following should be determined: (1) sample size adequacy and suitability of CFA, (2) decision about selection of extraction method, (3) rotation method and (4) the number of factors to retain (Kyriazos, 2018; Sakaluk and Short, 2017). These authors explain that understanding which analytical options constitutes the best practices for CFA. This is because failing to apply them can impact negatively on the empirical outcomes.

Thus to generate reliable results, sample size adequacy was established. Overall, there is lack of consensus in regard to the sample size required to carry out factor analysis. Hair et al. (2010) indicate a minimum of 100 cases for factor analysis, (Tabachnick and Fidell, 2007) recommended sample size of over 200. As opposed to absolute numbers, some authors have provided a general rule of the thumb depending on the number of variables to be measured (sample to variable ration), ranging from three respondents per variable to 20 respondents per variable (Brown and Onsman, 2012).

3.8.4 Suitability of data for factor analysis

Sampling adequacy for factor analyses was first carried out using the Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's Test of Sphericity. KMO tests if the correlations or partial correlations among variables are small. KMO varies from 0 and 1, values closer to 1 are better and the value 0.6 is the suggested minimum. Therefore a small value of KMO is a suggestion that a factor analysis should not be undertaken. The Bartlett's Test of Sphericity is the test for the null hypothesis that the correlation matrix has an identity matrix. This means that it statistically tests the hypothesis that the correlation matrix contains ones on the diagonal and zeros on the off-diagonals. Data is factorable when the Bartlett Test of Sphericity is significant ($p < .05$).

Table 3.3 External Failure Attributions: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		**.600**
Bartlett's Test of Sphericity	Sig.	**0.01**

External Failure Attributions KMO = 0.600 which indicates that the sample is adequate and qualifies for Factor Analysis. Bartlett's Test of Sphericity: P-value= 0.01, thus the factor analysis is valid. This indicates strong statistical evidence against the null hypothesis that there are correlations among variables.

Table 3.4 Internal Failure Attributions: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		**.650**
Bartlett's Test of Sphericity	Sig.	**0.01**

KMO = 0.650 which indicates that the sample is adequate and qualifies for Factor Analysis. Bartlett's Test of Sphericity: P-value = 0.01, thus the factor analysis is valid. This indicates strong statistical evidence against the null hypothesis that there are correlations among variables. Therefore, as $p<0.05$, the null hypothesis for both internal and external failure attributions is rejected and alternate hypothesis accepted that there may be statistically significant interrelationship among variables. Thus Factor Analysis was considered as an appropriate approach for further analysis. In addition, Hair et al. (2010) explain that a minimum number of 100 participants are required to run a factor analysis. This study employed a total of 150 participants which is above the recommended minimum.

The following preliminary analysis leads to factor extraction whose main objective is to establish the number of factors that can summarize the interrelationships between the internal and external failure attribution variables.

3.8.5 Factor Extraction and Retention

There is no agreed method for determining the number of factors to be extracted (Brown and Onsman, 2012, Osborne, 2012). Extraction is done with the aim of finding the fewest number of factors to represent the relationships between variables (Brown and Onsman, 2012). Principal Axis Factoring extraction method was used in this study to establish the least minimum number of factors which could explain the correlation of a set of variables. PAF was used to identify significant constructs as opposed to simply reducing the data (Costello, 2012).

After extraction, the number of factors to retain for analysis was determined. Determining the number of factors to retain can be based on (1) Kaiser's criterion of eigenvalue of more than 1.0 selected for further analysis; (2) scree plots; (3) fixed percentage of variance explained; and (4) a priori (Hair et al., 2010). However, Osborne (2012) explain that Kaiser's criterion of selecting Eigen value more than 1.0, percentage of variance explained and priori are among the least accurate methods for selecting factors to retain. Hence, this study opted for the Cattell's Scree-plot tests to determine the number of factors to retain. The scree plot graphs the eigenvalue against each factor and only factors before the breaking point off the graph are retained (Cattell, 1966).

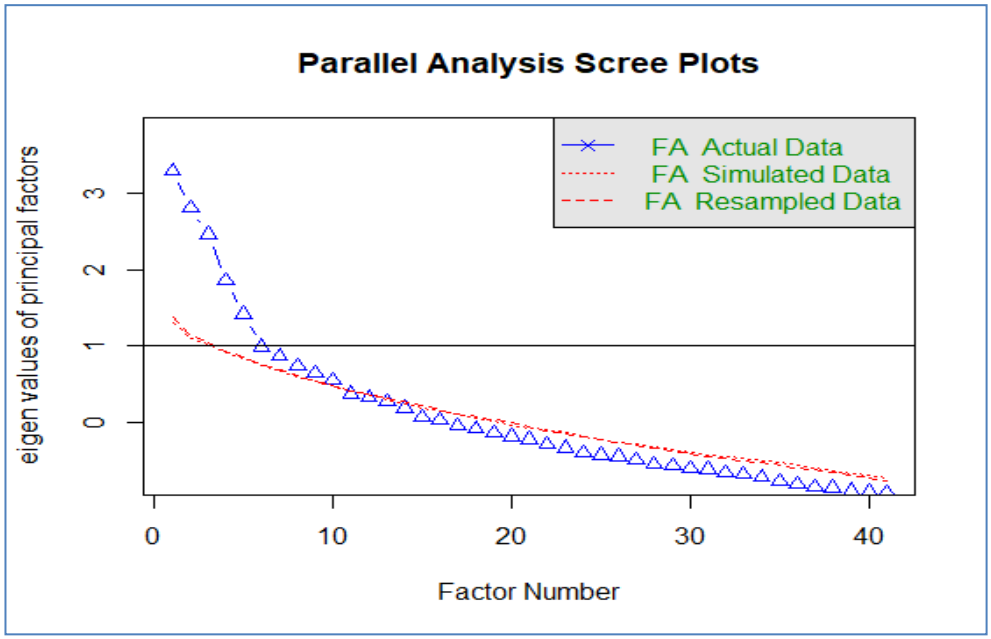


***Figure 2*: External Failure Attributions Factor Retention Scree Plot**

In Fig 2, the scree plot test procedure indicated that the optimal number of external attribution factors to be retained is nine (9). This is the point at which the curve 'elbows'. This shows that after factor 9 the total variance accounts for smaller and smaller amounts.

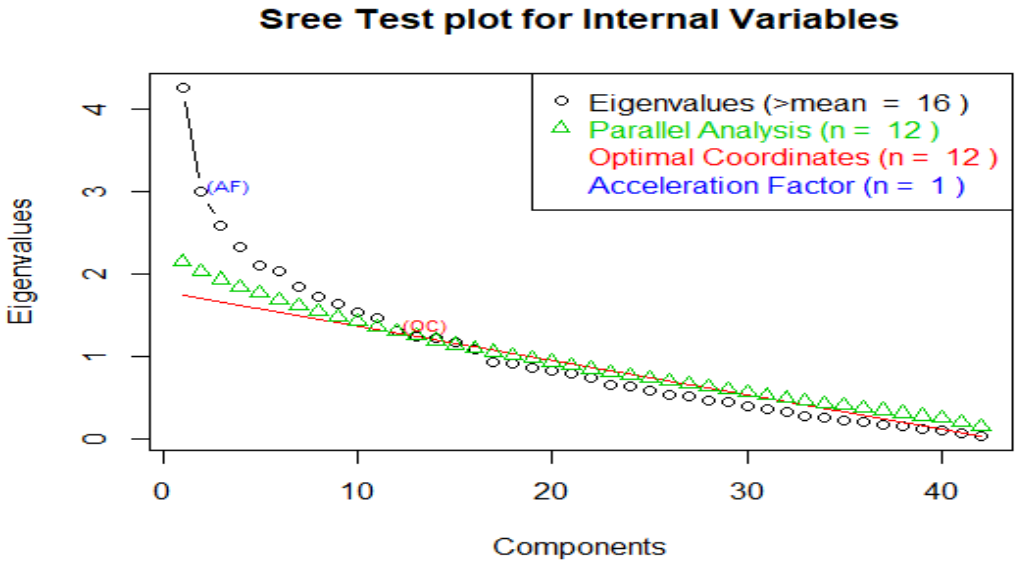


***Figure 3*: Internal Failure Attributions Factor Retention Scree Plot**

According to Fig 3, the scree plot indicates that the optimal number of internal attributions factors is eleven this is the point at which the curve 'elbows'. This shows that after factor 11 the total variance accounts for smaller and smaller amounts.

However, nine factors for external failure attributions variables and eleven factors for internal attributions variables are many factors considering that there are only 40 variables each for external failure attributions and internal failure attributions. Therefore, factor rotation was performed to make the structure simpler during interpretation (Osborne, 2012).

3.8.6 Factor Rotation

Thus, once the factors had been identified, the next step was to establish the pattern of loadings for ease of interpretation. Variable loadings for each of the nine factors for external attributions and eleven factors for internal attributions were determined. Un-rotated results from factor analysis can be difficult to interpret. The goal of rotation is to make the factor loading pattern much clearer (Osborne, 2015). Oblique direct oblimin rotation was used in this study. Oblimin is an oblique rotation yielding factors that are correlated and it is unlikely that factors dealing with human behaviors can be uncorrelated (Osborne, 2012). It can be assumed that factors are correlated when examining failure attributions model.

Factor loadings explained by the variables for each factor was used. The rule of thumb is that factor loading of a minimum of three items should be 30% (Osborne, 2015). Hence only the variables with at least 30% proportion of variance were loaded to the factor in Appendix VII for external and Appendix VIII for internal failure attributions.

For external failure attribution variables, 33 out of the 40 were grouped into factors.
While for internal failure attributions, 28 out of the 40 internal failure attributions variables in this study were grouped into factors. To increase internal reliability of the scale, the remaining seven external variables were excluded from further analysis because they were not loaded into any of the nine factors and the remaining twelve internal variables were excluded from further analysis because they were not loaded into any of the eleven factors.

A reliability test was conducted for each factor to determine whether or not the variables comprising each factor were converging. Therefore, alpha test was performed for each factor. The output of this confirmatory analysis indicated that external failure attribution Factor 2, 3, 5, 6, 7 and internal failure attribution Factor 1, 3, 5, 7, and 11 obtained good

reliability. Cronbach's alpha value should be 0.7 or higher (Hair et al., 2010). Thus, these were the factors with alpha values greater than or equal to 0.7 which were considered in the regression analysis.

3.9 Validity of Research Instruments

Validity refers to the measure of the degree to which a study succeeds in measuring the desired values and the extent to which differences found reflects true differences among the participants (Cooper and Schindler, 2008). It involves inquiring whether the findings are genuine.

3.9.1 Validity of Qualitative Research Instruments

In qualitative research, various researchers indicated that the concepts of credibility and transferability can be applied to test for validity (Lincoln and Guba, 1985; Schwandt et al., 2007; Marshall and Rossman, 2010).

3.9.1.1 Credibility/Internal validity

Credibility refers to credence in how well data and analysis process answers planned focus (Polit and Hungler, 1999) and explains how study findings match reality. Credibility is corresponding to internal validity in quantitative research. According to Lincoln and Guba (1985) credibility is enhanced through member checking of the study findings. In this study, the findings from the narrative interviews were checked by supervisors and peer debriefing with other PhD candidates in this field to gain further feedback on the findings.

3.9.1.2 Transferability /External validity

Transferability refers to the extent at which the study findings can be transferred to other settings. Transferability corresponds with external validity in quantitative research which specifies the extent to which the study findings can be generalized to other settings. Flick (2009) argued that transferability can be attained by providing rich description of the setting under study to give readers detailed information. Flick (2009) elaborates that detailed information allow readers to make sound judgments of the suitability of the study findings to other settings. In this research, sufficient description of the thematic content analysis process was carried out. The process aided in pinpointing themes and enabled readers to judge the study findings transferability. To add on this, a comprehensive picture about survival-focused micro-entrepreneurs in the context of the slums of Nairobi,

Kenya was provided. The context of the study would inform readers of such contexts and allow them make use of the study findings in other contexts. Lewis and Ritchie (2003) explain that it is the judgment of the context which informs others of the transferability of the findings to other settings.

3.9.1.3 Content validity

The relevance and representativeness of questions in the questionnaire is measured using content validity (Hu, Dinev and Cooke, 2012). In this research, content validity was achieved through literature review. Literature revealed that when little is known about the area under study, the use of storytelling approach is appropriate to reveal individual's personal experiences (Creswell and Plano-Clark, 2011). In this case, little is known about growth orientation of survival-focused micro-entrepreneurs and how affective and cognitive networks play a role in influencing them. Thus, narrative interviews using the qualitative approach were used to clearly bring out the experiences of the micro-entrepreneurs in the course of their growth trajectories. In addition, specialists in the field of survivalists' micro-entrepreneurs and networks were also consulted. They were consulted about the follow up questions from the narrative interviews to ask micro-entrepreneurs, these were questions that could reveal the role on entrepreneurial networks during the growth paths of to ask the participants.

3.9.2 Validity of quantitative Research Instruments

In quantitative research, there are three basic types of validity tests: content, construct and criterion validity tests that were carried out in this study.

3.9.2.1 Content Validity

In regard to the questionnaires, content validity was also achieved through literature review. Literature review revealed that closed-ended questionnaires formed on the basis of Likert scales consisting of attributional statement best captures the participants'' causal attributes (Williams et al., 2004). Secondly, the content validity of the questionnaires instrument was determined by four experts working in the field of small and micro-entrepreneurship. One of the field experts was the researcher's supervisors, whose area of interest are strategic management in micro-enterprises and economics, three of them were researcher's career mentors who specialize in organizational behavior and micro-entrepreneurs in developing country context, and one of them was a fellow PhD candidate in the field on micro-entrepreneurship. These experts established that the items on the

questionnaires had the ability to measure survival-focused micro-entrepreneurs' causal failure attributions in resource limited context. In preparing the elements, the works of (Atkinson, 2007) and (Hampel and Tracey, 2016) were consulted besides consulting with the experts.

3.9.2.2 Construct Validity

Construct validity refers to the extent to which items hypothetically relate to one another to measure a concept on the relevant theories underlying the study (Parasuraman et al., 2004 and De Von et al., 2007). In the quantitative phase of this research, factor analysis was carried out to confirm the construct validity of the questionnaire. In reference to the results of the factor extraction, only the items loading outstandingly on the factors were used in inferential analysis to test the hypotheses of the research.

3.10 Data Analysis and Presentation

This section explains the descriptive statistics of the study population, procedures that were followed to analyze, present and report qualitative and quantitative data.

3.10.1 Descriptive analysis

Profile of the participants of the participants was analyzed using descriptive statistics.

Descriptive analysis refers to the conversion of raw data into a form that would make them easy to comprehend and interpret (Sekaran and Bougie, 2010). Descriptive statistics are used to identify location tendency which include the mean, median, mode and standard deviation (Cooper and Schindler, 2008). Descriptive statistics in this study were used to explain the features of the population. Percentages distribution technique was used to analyze demographic characteristics of the data.

3.10.2 Qualitative data analysis

Objective 1 and objective 2 was carried out using thematic analysis with Nvivo 10 statistical software. The researcher employed a multi-case design which is consistent with examining grounded theory (Glaser & Strauss 1967, Yin 2003). The rationale for using thematic analysis was that it is not attached to a particular research paradigm (Joffe, 2012) hence was ideal for pragmatism paradigm and mixed method research. Moreover, thematic analysis can be used to develop theories and avoid the application of time consuming axial coding process (Thomas, 2006). Narrative interviews took place at the location where micro-entrepreneurs operated their businesses and lasted between 45

minutes to 1 hour. This research examined case by case of each micro-entrepreneur and how they each dealt with business failure events they encountered. First, each micro-entrepreneur /founder was asked to tell their story. In the preceding part of the interview protocol, the entrepreneurs were asked to describe their entrepreneurial experiences. The use of narrative life story interview approach was particularly adopted to evoke new and much exhaustive insights from the participants (Dyer 1994, Steyaert and Bouwen 1997). Within the interview context, each participant was asked to describe the "best and worst moments" they have experienced so far. Critical incidents triggers learning by enabling participants recount antecedents of past events, how they resolved such incidences and what they learnt (Cope and Watts, 2000). Thus, the researcher used critical incident technique to focus on key entrepreneurial experiences in order to understand antecedent events, how the incident unfolded and were resolved, which actors were involved, what was learned and what implications these experiences had on micro-entrepreneurs.

These two approaches provided a good understanding of the impact of these entrepreneurial experiences and how such experiences allowed survival-focused micro-entrepreneurs harbor growth orientations. Micro-entrepreneurs go through various changes as they transit from survival status to growth orientation. Participants were later asked follow up questions focusing on their narratives (lasted 30-40minutes). A general set of guiding questions were used; these can be obtained in (Appendix II). In order to understand how significant occurrences and experiences played a role in entrepreneurial learning, participants were asked what led them to starting their businesses, the impact of entrepreneurial experiences over time and their businesses and were also asked to describe their worst and best moments. In regard to business growth orientation, the researcher for instance asked participants which positive and negative events and outcomes occurred over time, how they dealt with these instances and how these instances changed.

Saunders et al. (2015) argued that it is essential transform recorded interview into text formats as a way of controlling bias and to generate reliable data analysis. The recorded interviews were transcribed into word document. Following this process, the researcher read all interviews in detail and divides texts into segments of information. The analysis followed (Sefiani and Brown (2013) six step process as follows:-interview transcription, data familiarization, coding framework: affixing codes by data segmenting and labeling,

development of categories**,** theme identification: collapse codes to develop themes by aggregating similar codes together and theory development and incorporation of existing knowledge.

The first step was to transcribe the interview recordings. This involved listening to the interview recordings and taking note of the relevant details with an aim of realizing emerging ideas (Creswell and Plano-Clark, 2011). In thematic and content analysis, transcription is done with the main goal of identifying common concepts in the data (Halcomb and Davidson, 2006). As Halcomb and Davidson noted, this approach is ideal for mixed method studies.

The second was to familiarize with the data. This was achieved by listening to the interview recordings and reading through the transcripts. Field notes and interview transcripts were reviewed to pin-point distinct topics related to the research objectives. Familiarization with the data is done to explore the unique characteristics of each interview and identify interesting insights in line with the phenomenon under study (Yin, 2010). To enhance anonymity, names of micro-entrepreneurs were replaced by a unique code.

The third step was to seek for codes connected with the evolution of survival-focused micro-entrepreneurs' networks and the role of these networks in survivalist micro-entrepreneurs' transition process; this permitted new categories and themes to surface from the data. Coding was performed on sections of data that were meaningful to the research objectives. For example, it came to the researcher's attention that micro-entrepreneurs changed from associating with affective networks to cognitive networks during transition. Quotes from the data were used to add voice to the text (Sefiani and Brown, 2013) and clearly bring out the research context. Data collection and coding processes went on uninterrupted until a point of saturation was reached—a point where we could not derive any further discoveries. A coding manual with the definition and characteristics of each of the codes was developed which was applied to each interview transcript.

After the coding process, the texts were examined for any similarities and differences in order to draw conclusions. At this juncture, patterns and relationships started to emanate

among main categories and sub-categories. The researcher identified the relationships between first-order categories and converted them into second higher-order categories. This stage entailed continuous consultation between the data, emerging themes and existing literature to cement insights that were more accustomed to the data, and the researcher pinpointed 20 other theoretically informed themes (Gioia et al., 2013).

Lastly, initial codes were organized into second order themes and clustered into aggregate dimensions. Thus, the data was organized in a way that enhanced comparison of findings amongst the different cases and the literature. Consequently, to make the qualitative analysis more reliable and transparent (Gioia et al., 2013) the twenty (20) interview transcripts were transferred into the NVivo 10 .software (QSR International. NVivo 10). The NVivo software aided in organizing and managing data. In this software, themes or categories are substituted with nodes (QSR International. NVivo 10). Nodes are hierarchical and are of different types. Parent node substitutes the broader categories and child or grandchild nodes substituting specific themes. Thus, all interview transcripts were coded in a consistent manner. All the twenty interviews were labeled and loaded into QSR Nvivo 10 software. For instance, the label SFME01, the acronym SFME represents survival-focused micro-entrepreneur and 01 represents the number of order of loading into the QSR Nvivo 10 software.

3.10.3 Quantitative data analysis

Objective 3 and objective 4 were analyzed using multiple regressions. In this research, quantitative data analysis process included preparation of data, descriptive analysis of means and percentages and inferential analysis. The R software was used to analyze the data. R software was used as it brings out the differences and similarities of the data (Babbie et al., 2010).

Objective 3 was first subjected to factor analysis because the Cronbach alpha values for both internal and external failure attributions variables failed to meet the required 0.7 threshold, after which multiple regression analysis was performed to establish the effect of internal and external failure attributions micro-entrepreneurs' growth orientation. The themes generated from the qualitative study were then verified using factor analysis.

In objective 4, affective and cognitive networks exhibited higher Cronbach alpha values and therefore multiple regressions were directly performed to establish the relationship of entrepreneurial networks to growth orientation unlike in objective 3. If a relationship is found to exists, expand the model in objective 3 to include entrepreneurial networks.

In objective 3, only the factors with alpha values greater than or equal to 0.7 were considered in the regression analysis. External attribution Factor 2, 3, 5, 6, 7 and internal Factor 1, 3, 5, 7, 11 were considered for multiple regressions analysis. The effect of affective entrepreneurial networks, cognitive entrepreneurial networks, internal failure attributions and external failure attributions (independent variables) to growth orientation (dependent Variable) of survival-focused micro-entrepreneurs was examined with the use of multiple linear regression models in objective 4. Multiple regression models provide explanation about relationships between one or more independent variable and a dependent variable (Coelho-Barros et al., 2008). According to Wheelan (2013) a positive coefficient suggests that as the value of the independent variable increases, the mean of the dependent variable also increases. A negative coefficient indicates that as the value of the independent variable increases, the dependent variable decreases. The models for the multiple regression models took the following form:-

Objective 3: $Y= \beta_0+ \beta_1X_1 + \beta_2X_2 + \varepsilon_i$

Where Y= Growth Orientation of survival-focused micro-entrepreneurs

β_0= Constant Term

X_1=External Failure Attributions

β_1=Effect of External Failure Attributions on Growth Orientation of survival-focused micro-entrepreneurs

X_2=Internal Failure Attributions

β_2=Effect of Internal Failure Attributions on Growth Orientation of survival-focused micro-entrepreneurs

ε_i =Error Term in the model

Objective 4: $Y= \beta_0+ \beta_1X_1 + \beta_2X_{2+} \beta_3X_3+ \beta_4X_4+ \varepsilon_i$

Where Y= Growth Orientation of survival-focused micro-entrepreneurs

β_0= Constant Term

X_1=External Failure Attributions

β_1=Effect of External Failure Attributions on Growth Orientation of survival-focused micro-entrepreneurs

X_2=Internal Failure Attributions

β_2=Effect of Internal Failure Attributions on Growth Orientation of survival-focused micro-entrepreneurs

X_3=Affective Networks

β_3=Role of affective networks on Growth Orientation of survival-focused micro-entrepreneurs

X_4=Cognitive Networks

β_4=Role of Cognitive Networks on Growth Orientation of survival-focused micro-entrepreneurs

ε_i =Error Term in the model

3.11 Testing for the Assumptions of Multiple regression

First, regression analysis was performed in objective 3 to explain relationship between external and internal failure attribution to micro-entrepreneurs' growth orientation after identification of specific significant factors. Second, the relationship of entrepreneurial networks, failure attributions and growth was also tested using multiple regressions. Tabachnick and Fidell (2013) explain that to carry out this analysis, certain assumption must be met. Each assumption of the multiple regression analysis was evaluated for the current data.

3.11.1. Testing for Normality Assumptions

Distributions of all the study variables were tested for normality using the quantile-quantile (Q-Q) plot. Data points close to the diagonal line implies non-violation of normality requirement (Tabachnick and Fidell, 2013).

3.11.1.1 Normality test for Growth Orientation

Growth orientation was conceptualized as the dependent variable in the present study. The normal Q-Q plot for growth orientation in Figure 5 indicates that the dots are concentrated alongside the diagonal line. This confirms that the data distribution of growth orientation followed a normal distribution with Shapiro-Wilk p-value of 0.0009447. The p-value for the Shapiro–Wilk normality test is also designed to test normality. Any value above .05 indicates normality and less than .05 indicates data are non- normal. P-value for growth orientation is 0.05774 indicating a normal distribution.

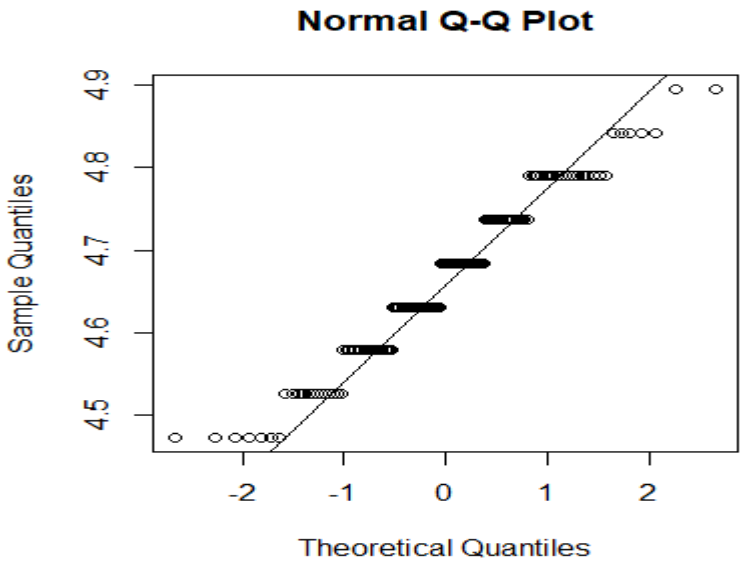


***Figure 4*: Normal Q-Q Plot for growth orientation**

3.11.1.2 Normality test for internal failure attributions

Internal failure attribution was conceptualized as the first factor that influenced growth orientation. The Q-Q plot for internal failure attribution in Figure 6 revealed data dots remained alongside the diagonal line. This implies that internal failure attribution was normally distributed with p-value=0.05364 for the Shapiro-Wilk normality test. Thus normality assumption was upheld.

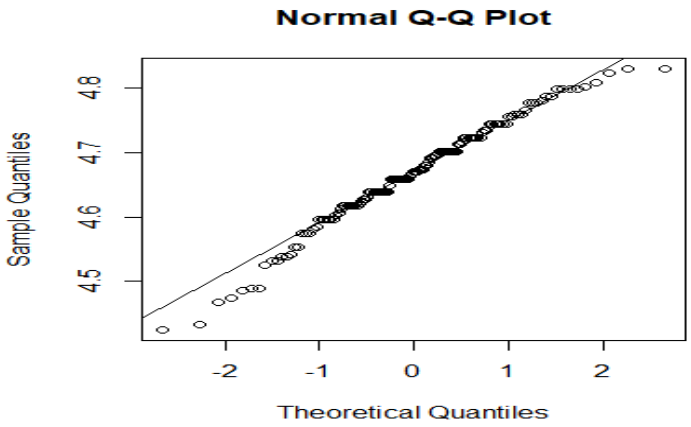


***Figure 5*: Normal Q-Q Plot for internal failure attributions**

3.11.1.3 Normality test for external failure attributions

External failure attribution was conceptualized as the second factor that influenced growth orientation. The Q-Q plot for external failure attribution in Figure 7 revealed data

dots remained alongside the diagonal line thus confirming that data points for external failure attribution followed a normal distribution with p-value=0.05072 for the Shapiro-Wilk normality test.

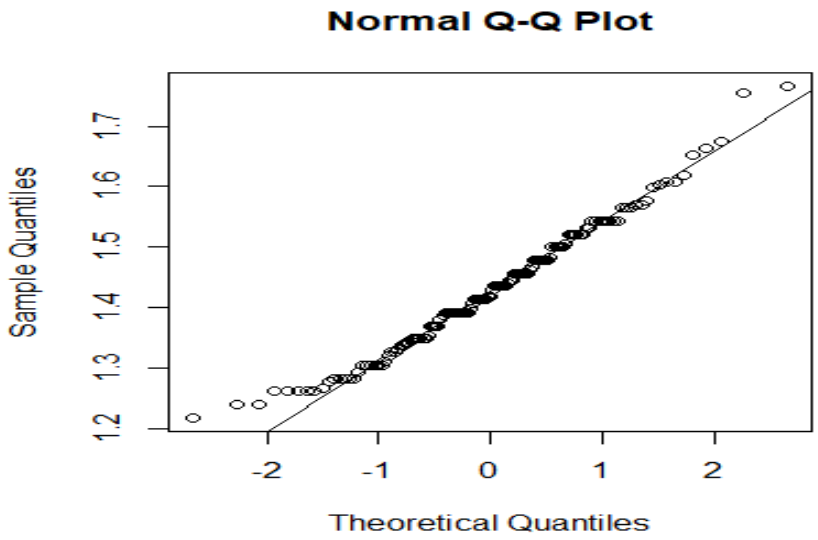


***Figure 6*: Normal Q-Q Plot for external failure attributions**

3.11.1.4 Normality test for affective networks

Affective networks were conceptualized as the third factor that influenced growth orientation of survival-focused micro-entrepreneurs. The Q-Q for affective networks in Figure 8 showed data points lying alongside the diagonal line. The connotation was that affective networks were normally distributed with p-value=0.05995 for the Shapiro-Wilk normality test.

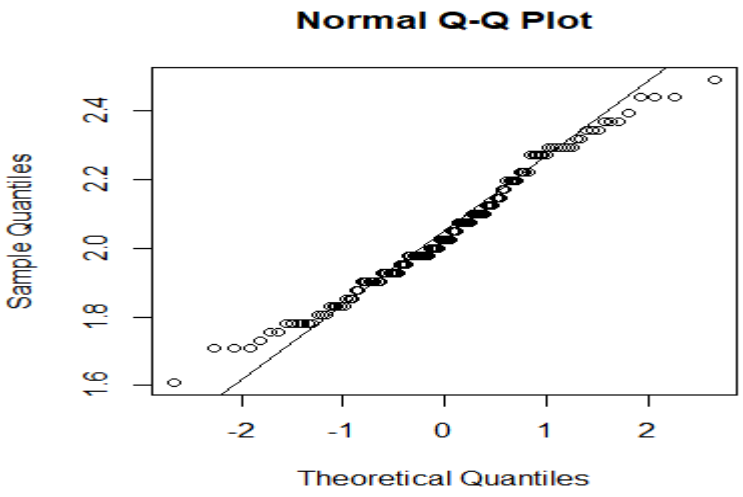


***Figure 7*: Normal Q-Q Plot for affective networks**

3.11.1.5 Normality test for cognitive networks

Cognitive networks were conceptualized as the fourth factor that influenced growth orientation of survival-focused micro-entrepreneurs. The Q-Q for cognitive networks in Figure 9 showed data points lying alongside the diagonal line. The implication was that cognitive networks were normally distributed with p-value=0.2797 for the Shapiro-Wilk normality test.

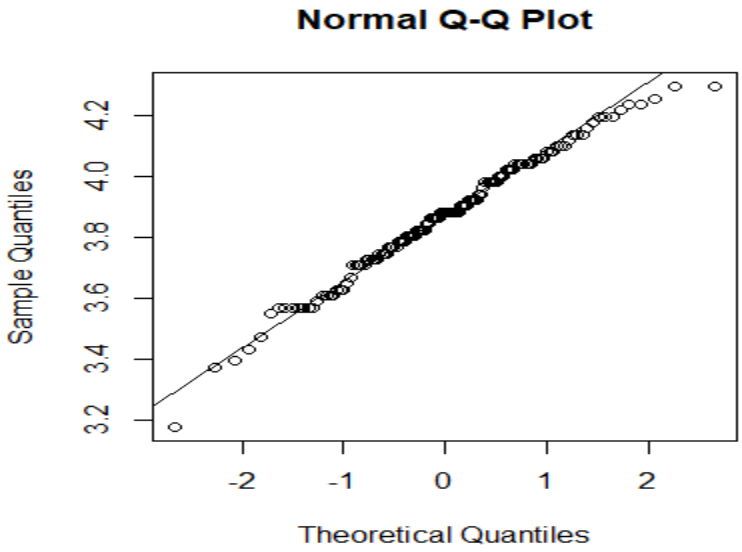


***Figure 8*: Normal Q-Q Plot for cognitive networks**

3.11.2 Testing for the Assumption of Linearity

One of the assumptions of regression analysis is that that a straight line relationship exists between two variables as indicated by Tabachnick and Fidell (2013). Linearity was tested by observing the scatter plots relating each of the independent variable with the dependent variable in the regression. Affective networks, cognitive networks, internal failure attributions, external failure attributions and growth orientation were tested for linearity. All the four relationships are linear as shown in figure 10. There was no observed pattern; the red line is fairly flat and approximately horizontal at zero.

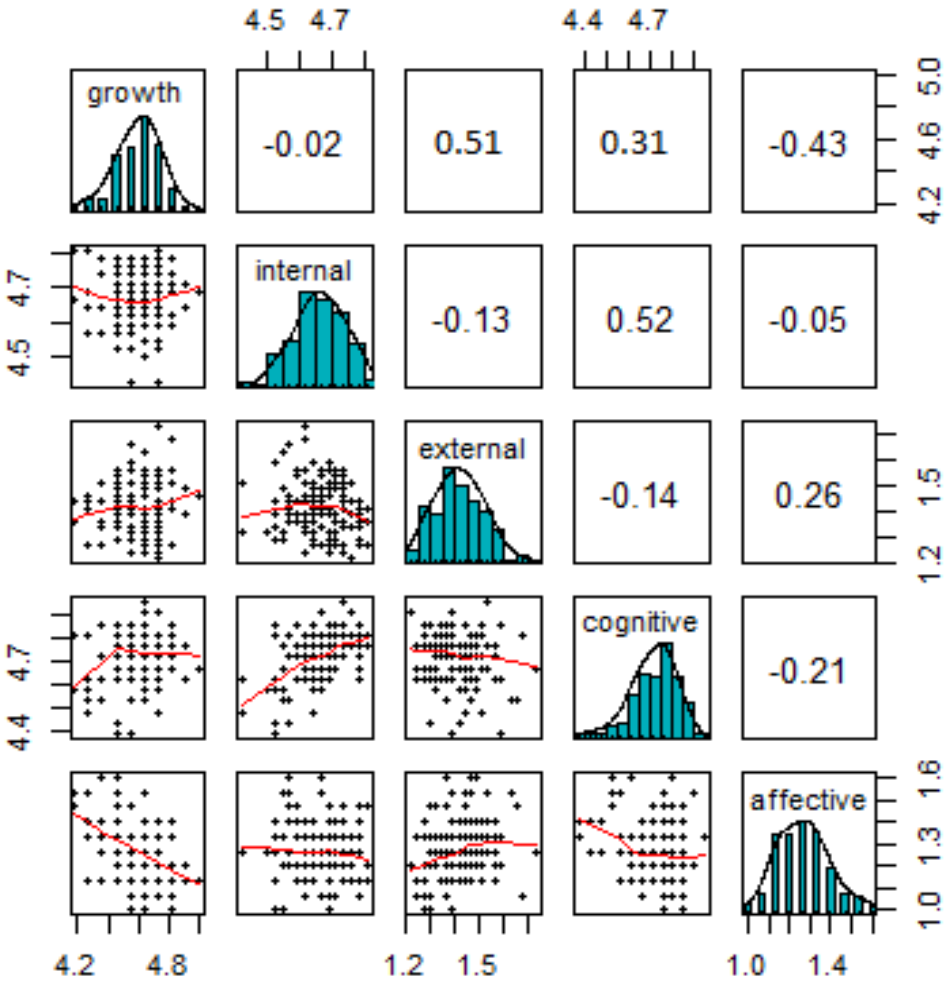


***Figure 9*: Testing for the Assumption of Linearity**

3.11.3 Testing for Homoscedasticity

Also known as homogeneity of variance, homoscedasticity tests whether the dependent variable has equal levels of variability across a range of independent variables (Hair, 2010). Homoscedasticity is checked by the Scale-Location plot also known as spread location plot. If the assumption holds we expect that there is no pattern in the residuals. In this particular plot we observe randomness, the red line was fairly flat, and hence the assumption holds. Homoscedasticity assumption was also checked by plot 1 where the residuals are plotted against the fitted values in fig 11. Again we see that there is no pattern in the residuals hence both assumptions have been met.

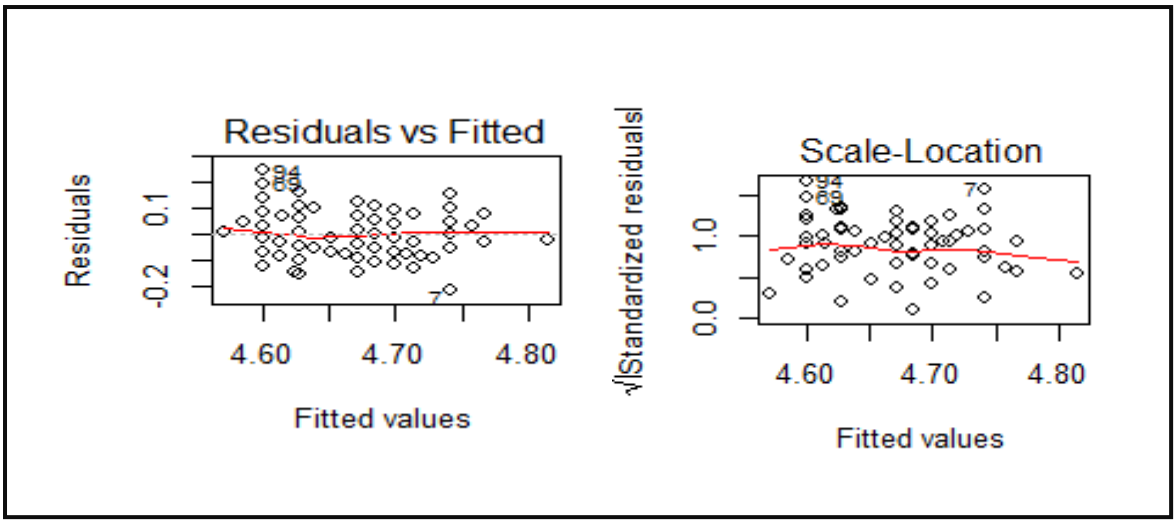


***Figure 10*: Testing for the Assumption of homoscedasticity**

3.11.4 Independence of Residuals Error Terms

Independence of residuals errors terms refers to the assumption that errors are independent of one another, implying that subjects responded independent of each other (Hair et al, 2010). Independence of residuals is checked by assessing the Durbin-Watson statistic which looks for serial correlation between errors. The possible values range from 0 to 4. Where value of 2 indicates no autocorrelation, 0 to <2 is positive autocorrelation and >2 to 4 is negative autocorrelation. For the value of 2.2 obtained in table 4.1, this means that there is negative autocorrelation thus the residuals are independent.

Table 4.1: Durbin Watson Test Results:

lag	Autocorrelation	D-W Statistic
1	0.386675	2.222553

Alternative hypothesis: rho != 0

3.12 Ethical Considerations

Ethics was an important part of this study. Ethical approval was obtained from Maseno University Ethical Review Committee Ref no.MSU/DRP/MUERC/00627/18.

Ethical issues in regard to plagiarism, misconduct and data falsification were observed by the author. Consent and approval was obtained from the participants in this study. The principle of informed consent was incorporated. Narrative interviews and the questionnaires were fairly processed. Data processing was compatible with the purpose of the study. The researcher carried personal introduction before the participants explaining

the title and mission of the study. The role of the participants was also explained. The aim for which data is to be processed was explained to the participants. Participants were informed that it would take approximately 40 minutes to fill the questionnaires and between 40-45 minutes to complete the narrative interviews. These aided participants make an informed choice regarding their participation to the study.

The right to anonymity and confidentiality of the participants was maintained in the following ways: - The identity of the participants remained confidential. Pseudonyms were used to protect participants' identity; Tape recordings and transcripts were deleted and questionnaires destroyed at the end of the research; Permission was sought from the participants to use interview extracts in the thesis; During the interview process, permission was sought from the participants on the use of tape recorder and turned off at the request of the participants; Data collected was not to be given to a third party in a manner that could identify the participants. Personal details that could allow identification of the participants did not appear in work produced.

The researcher protected the privacy and confidentiality of the data from the point of collection until when the data are destroyed. Proper data storage is important for protecting confidentiality. Audio recordings of the narrative interviews were transcribed into transcripts. The audio recordings were password protected. The copies of the original transcripts and audio recordings were securely stored on a password protected computer. Questionnaires were securely kept under lock and key. Access to this data was controlled with the researcher being the only person having access. Data is to be stored for periods of two years to allow the researcher analyze the data and use them as a point of reference when responding to reviewers and examiners of the study.

CHAPTER FOUR: RESULTS AND DISCUSSIONS

This chapter provides results of the study based on the study's objective. First, the study presents the profile of the twenty participants from the qualitative study. This is followed by the analysis of multi-case themes generated from the data structure. This chapter also provides the questionnaires return rate from the quantitative study followed by the demographic and business characteristics of the participants. It also analyses data collected from 146 survival-focused micro-entrepreneurs in the slums of Nairobi. Finally, the study presents the results based on the objectives of the study with discussions in the subsequent sections.

4.1 Profile of the Qualitative Respondents

In this section the researcher sought to establish both personal and business characteristics of the participants who took part in the qualitative study. A summary of the characteristics is provided in this section. This is because a detailed profile is explained under the personal and business profile in the quantitative study which is a larger representative of the participants in the qualitative narrative study. The study found out that male participants are more than female participants. This means that gender does play a role among survival-focused micro-entrepreneurs. Males are more involved in survival-micro-entrepreneurship as compared to females. The study also analyzed age of SFMEs and found that majority of participants were aged below 35 years. Years in business was also found to contribute to the growth orientation of SFMEs in the slums of Nairobi. The finding above reflects the survival rate of survival-focused micro-entrepreneurs. Majority had surpassed the third year mark of survival in business. The number of failure events experienced is linked to the number of previously and was also found to be an important contributor to their growth orientation. The results imply that survival-focused micro-entrepreneurs experienced several failures in the course of their businesses. After each failure experience micro-entrepreneurs either start a different business or one that is almost similar with previous business. This results conforms the results on entrepreneurs in informal economies by Thieme (2013) and those of Khanna et al., (2013) who found their participants to have operated between three to four ventures as a result of business failures.

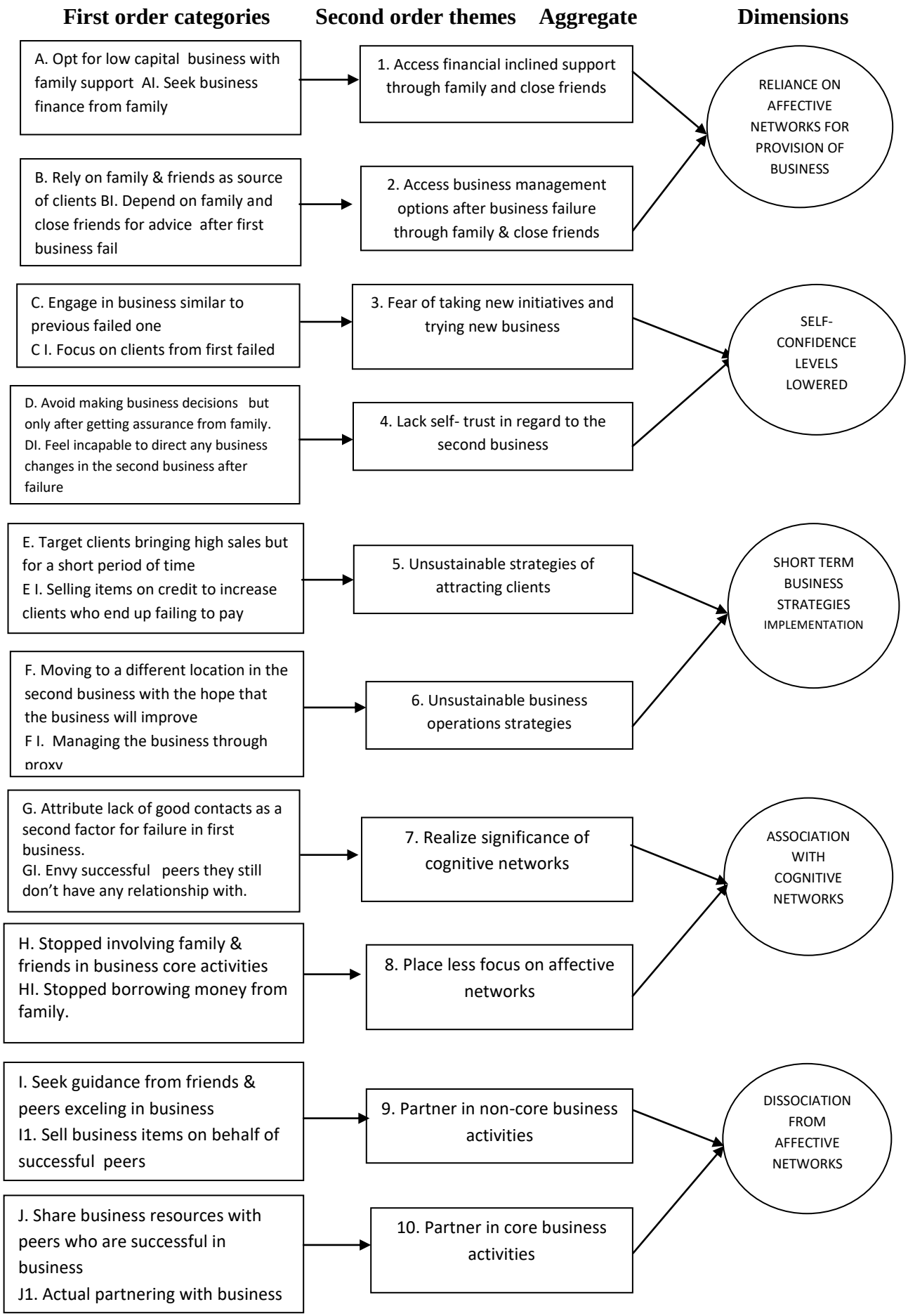
Nonetheless, this finding is in in contrast with those of Eggers and Song (2015) who did a study to investigate the presence (or absence) of learning benefits from previous

business failures and found that after experiencing failure events, entrepreneurs are likely to change industries.

4.2 Role of Entrepreneurial Networks

The entrepreneurial network model in Figure 4 unpacks how affective and cognitive entrepreneurial networks play a role on the growth orientation of survival-focused micro-entrepreneurs. The positive and negative influence of these entrepreneurial networks after micro-entrepreneurs' failures was manifested through a series of behaviors summarized in figure 4 data structure.

The data structure in figure 4 was generated from the Nvivo 10 software. It is divided into first-order categories (raw data themes), second order themes (higher order themes) and aggregate dimensions. First order categories (or in-vivo codes) were derived from the individual interview transcripts. The second order code/themes were analytically generated through looking for patterns and explanations in the codes from the twenty different transcripts. Finally, based on all the second order themes generated, a third order category (aggregate dimensions) is developed. During this process, the roles of affective networks, roles of cognitive networks, influence of internal failure attributions and external failure attributions were generated from the data as explained in Figure 4.


First order categories
Second order themes
Aggregate
Dimensions
A. Opt for low capital business with family support AI. Seek business finance from family
B. Rely on family & friends as source of clients BI. Depend on family and close friends for advice after first business fail
C. Engage in business similar to previous failed one
C I. Focus on clients from first failed
D. Avoid making business decisions but only after getting assurance from family.
DI. Feel incapable to direct any business changes in the second business after failure
E. Target clients bringing high sales but for a short period of time
E I. Selling items on credit to increase clients who end up failing to pay
F. Moving to a different location in the second business with the hope that the business will improve
F I. Managing the business through proxy
G. Attribute lack of good contacts as a second factor for failure in first business.
GI. Envy successful peers they still don't have any relationship with.
H. Stopped involving family & friends in business core activities
HI. Stopped borrowing money from family.
I. Seek guidance from friends & peers exceling in business
I1. Sell business items on behalf of successful peers
J. Share business resources with peers who are successful in business
J1. Actual partnering with business
1. Access financial inclined support through family and close friends
2. Access business management options after business failure through family & close friends
3. Fear of taking new initiatives and trying new business
4. Lack self- trust in regard to the second business
5. Unsustainable strategies of attracting clients
6. Unsustainable business operations strategies
7. Realize significance of cognitive networks
8. Place less focus on affective networks
9. Partner in non-core business activities
10. Partner in core business activities
RELIANCE ON AFFECTIVE NETWORKS FOR PROVISION OF BUSINESS
SELF-CONFIDENCE LEVELS LOWERED
SHORT TERM BUSINESS STRATEGIES IMPLEMENTATION
ASSOCIATION WITH COGNITIVE NETWORKS
DISSOCIATION FROM AFFECTIVE NETWORKS

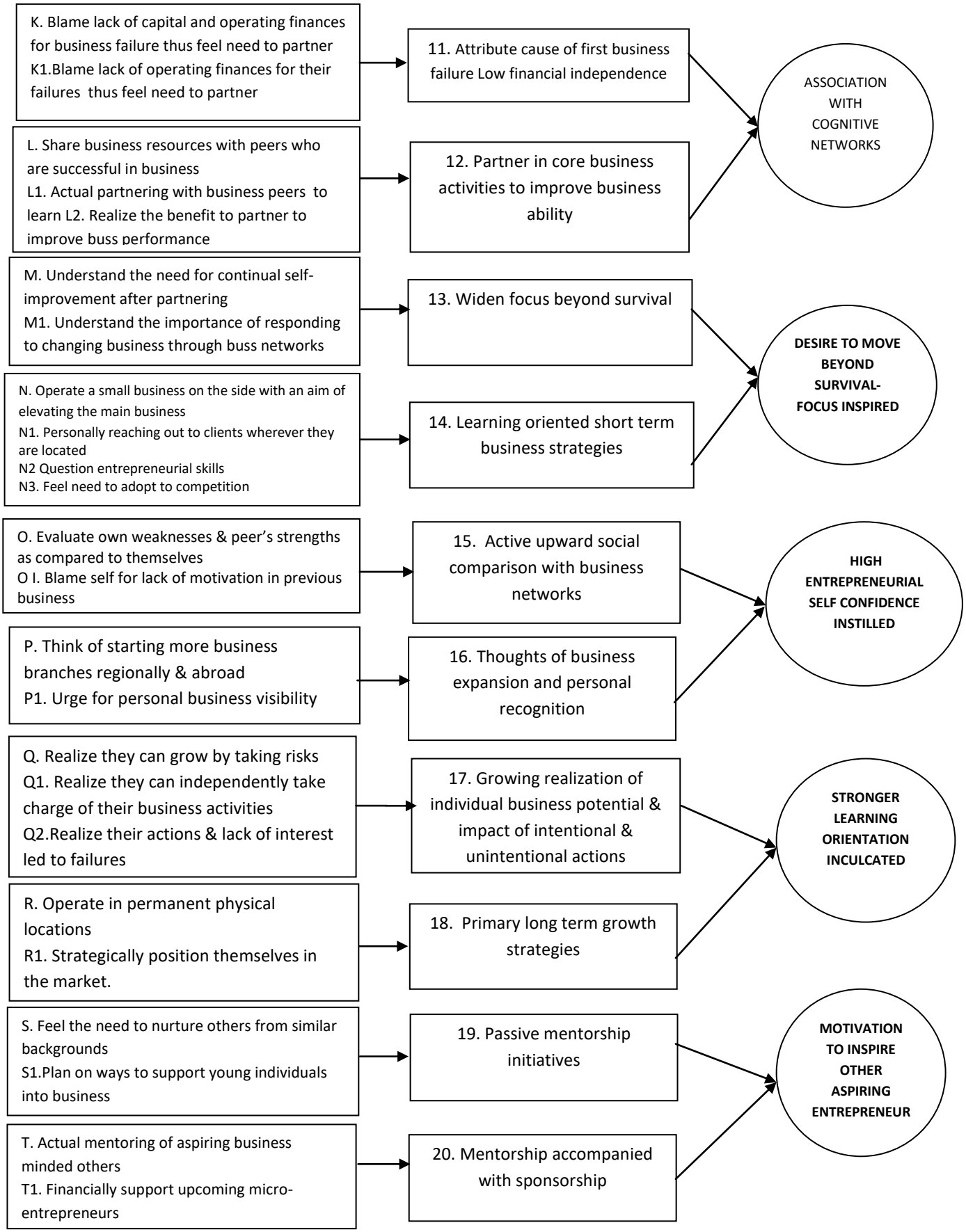


***Figure 11*: Data Structure generated from the qualitative analysis**

Source: Author 2018

4.2.1 Role of Affective Networks

The first objective of the study was to investigate the role of affective networks on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi. To do this, the affective network concepts generated from the data structure in figure 4 was used to explain the roles of these networks to SFMEs as explained below.

4.2.1.1 Reliance on affective networks for provision of business resources

Survival-focused micro-entrepreneurs resorted to short term options to come out of failure state by relying more on affective networks, for support in business after failure. Family and close friends were observed to fall under this group. These findings echo the works of Arregle et al (2013) and Welter (2011) that family sources are critical during business crisis for entrepreneurs. Specifically, survival-focused micro-entrepreneurs relied on affective networks after first business failure through accessing financially inclined business failure recovery options. Micro-entrepreneurs sought business finance from affective networks. This implies that they lacked self-confidence to seek for external business finance but instead relied on affective networks for finance. They also lacked external financial networks to seek for business finance. As a result, they relied on what they thought was the cheapest and easiest business finance option as one of the survival-focused micro-entrepreneurs explains:

My mother was very supportive. She gave me Ksh. 4000 in the beginning and then added me another ksh. 2000 making ksh. 6000 after closing down my business (SFME 3)

Micro-entrepreneurs also opted to engage in business that required very minimal capital with the support of family members. This was a poor strategy because the businesses were not rewarding in the long term but could only sustain the SFMEs in the short term.

In addition, micro-entrepreneurs also used affective networks to access business management inclined failure recovery options. This was important in the beginning but over time became narrow based; focus was placed on unsustainable short term immediate recovery options that did not permit learning from first business failure. Specifically, micro-entrepreneurs relied on affective networks as source of clients with an aim of quickly bouncing back to business and survive.

You know most of my clients are the people I know, my family and friends (SFME 12)

Moreover, the availability of affective networks as source of clients offered micro-entrepreneurs comfort zone in regard to accessing clients.

Thus, there has been conflicting results between extant research on networks assuming that affective networks are advantageous and those that state that affective networks are detrimental for the entrepreneur and his business (Greve and Salaff, 2003). These conflicting perspectives may continue because network literature has analysed entrrpreneurs and their ventures at a static point (Parkhe et al., 2006). This research model approach analyses both advantages and disadvantages of affective networks. It goes further to show how survival-focused micro-entrepreneurs overcome the negative effects of affective networks. A major finding from this analyses shows that micro-entrepreneurs from emerging countries start off with relying on affective networks for business resources but over time move away and focus on more cognitive networks.

The main implication of this network model is that affective networks are not bad per se, they are actually very helpful and more so, necessary for continued survival of survival-focused micro-entrepreneurs after business failure. This findings is consistent with Berrou and Conbarnous (2012) that family networks plays a critical role in the informal economies, without them venture performance would deteriorate. This is because they provide safety nets that allow micro-entrepreneurs pull around after failure. Without them, it is unlikely that survival-focused micro-entrepreneurs will recover from failure in the first place. More likely they may go for employment and continue earning a precarious income without "personal" freedom that comes with operating their own business. These findings demonstrate that entrepreneurial behavior is deeply engraved in social relations (Cross and Cummings, 2004). The study concludes that the use of affective entrepreneurial networks is instrumental to survival-focused micro-entrepreneurs. In addition, the findings also demonstrate behavior of micro-entrepreneurs is reflected in their entrepreneurial intentions of whether to grow or not to grow. If micro-entrepreneurs' intentions is to grow their micro-enterprises, they are likely to exploit their affective entrepreneurial networks first.

4.2.1.2 Source of Self- confidence in the short term

Immediately after business failure, micro-entrepreneurs thought lowly of themselves.

Specifically, micro-entrepreneurs feared taking new business initiatives without family and friends involvement and lacked self-motivation to deal with their failures.

Survival-focused micro-entrepreneurs engaged in businesses similar to the previous failed ones. They felt entrepreneurially incapable to direct any business changes; they lost belief in self and instead relied more on affective networks in business. Secondly, they only made decisions after consulting with family and friends. They trusted affective networks more than they trusted themselves. Third, they also relied on family and friends for guidance in their respective businesses. These feeling of entrepreneurial incapability were influenced by self-doubt micro-entrepreneurs harbored after failing in the first business. Fourth, micro-entrepreneurs also shied away from trying new and different businesses. They were afraid to engage in something new with the fear that they would fail again. This prompted survival-focused micro-entrepreneurs to rely on affective networks for emotional support after business failure. This is a scheme that gave micro-entrepreneurs temporary confidence to deal with failure as they moved to the second business. Affective networks provided emotional investment, warmth and empathy. However over time, these micro-entrepreneurs showed confidence on the affective networks but lacked confidence in themselves. The implication of this was micro-entrepreneurs became apprehensive about taking new and different business initiatives in their second business. After the first business failure, they engaged in more or less similar kind of business they operated previously which indicated the presence of self-limiting beliefs amongst the micro-entrepreneurs. Engaging in similar kind of business micro-entrepreneurs previously operated was a confirmation that they lacked entrepreneurial confidence and did not believe in themselves.

This study concludes that the self-limiting thoughts were a barrier to micro-entrepreneurs' learning from past business failure experience. The new second business although different was always more related with the previous one. Micro-entrepreneurs felt they lacked the knowledge to start a different business. It is for these reasons micro-entrepreneurs went for more familiar businesses that require less effort as opposed to starting different ones. Micro-entrepreneurs' intention was also to find the quickest way to come out of failure status disregarding whether their actions would be sustainable in the long term. For instance, one micro-entrepreneur who had partnered with his brother and friend in second hand clothing business, decided to sell second hand shoe business but only for two months on specific days-Saturdays. His aim was to deal in similar kind of business in the short term as a way of dealing with his failure but this was in vain.

My uncle was helpful in the shoes business. He showed me all the tricks. But the shoes were not selling at all, it was very frustrating. The men's clothing business was a bit better, but it still did not do well and that's when I decided to quit and look for a job. (*SFME 14*)

Micro-entrepreneurs also avoided making business decisions and carrying out business activities but only after getting assurance from family and close friends. By so doing, micro-entrepreneurs showed that they placed more trust and confidence on affective networks as opposed to themselves. Micro-entrepreneurs particularly waited for affective networks to take the lead in business decision making.

The discussion of these findings indicates that, affective networks provided safety nets that enable micro-entrepreneurs to bounce back to business after failure. They provided emotional support as a quick fix for micro-entrepreneurs after failure. Apparently, the presence of affective networks serves as a critical buffer for survival-focused micro-entrepreneurs to rise above survival mode and scale up. These findings echoes the works of Arregle et al. (2013) and Welter (2011) a scheme that gave micro-entrepreneurs the confidence to deal with failure. However, this network model shows that beyond providing the initial safety net, affective networks become detrimental over time. This implies that continued reliance on affective networks is destructive. This finding is consistent with Lach and Nordqvist (2010) that family networks are a deterrent to entrepreneurs' development. These authors further notes that existence of strong sharing culture in African contexts have negative effect of lowering the motivation and ability to invest in business opportunities. This behavior enhances feelings of entrepreneurial incapabilities among survival-focused micro-entrepreneurs. Evidence from this study suggests that the micro-entrepreneurs who are able to transition out of a survival-focus mode to growth orientation are those who become less dependent on affective family networks and more reliant on cognitive networks. Thus, this study contributes to affective network research and indicates for those survival-focused micro-entrepreneurs who become growth oriented, move from relying solely on affective networks to cognitive networks.

4.2.1.3 Defensive Short term business strategies implementation

This analysis suggests that micro-entrepreneurs enacted defensive short term strategies. They opted for near-sighted business solutions to quickly come out of business failure.

Specifically, micro-entrepreneurs engaged in defensive short term strategies through using unsustainable strategies to attract clients to the business. For example, micro-entrepreneurs targeted clients bringing high sales but in the short term. This means micro-entrepreneurs marketed their products in ways which could not retain customers in the long term. These strategies were linked to high spending costs in the long term and used proxies to operate their businesses on their behalf. This strategy was not practical and could not work in the long term given the fact that the individuals who were running the businesses were not employees neither were they the founders. For instance, one micro-entrepreneur narrates how she placed her sister-in-law to manage her salon business but this did not bare any fruits.

I started teaching her long before I started getting a lot of clients and when I got very busy with job and clients I requested her if we could work together and she agreed with my idea. Anytime I go to work, she is the one who remains in the salon. It was a mess. All my clients ran to my competitors (SFME, 17)

In addition, micro-entrepreneurs also sold goods on credit basis with an aim of expanding client base. Micro-entrepreneurs used this strategy hoping to increase returns but instead made losses. Credit selling is a common term of sales given the environment micro-entrepreneurs operated from and the type of clients they deal with. These clients most of the times are not in a position to immediately pay for items purchased, majority of these clients viewed this mode of payment as one of the accrued benefits of having affective relationship with the micro-entrepreneurs. Micro-entrepreneurs also had the assumption that high sales (without considering the credit aspect of the sale) would translate to more revenues. For example, two friends in the water business sold water on credit with the hope to build their client base but instead lost them for failure of payment:

Joined George who was already in the business – was overwhelmed – high demand. He knew the skills of the job and already had enough clients so he was like our boss, we followed wherever he told us. That is how we ended selling water on credit and people failed to pay. We thought we could acquire more customers (SFME, 13)

Besides, micro-entrepreneurs also applied defensive short term strategies through engaging in unsustainable business operations strategies and blamed others for their failures. Rather than engaging in a different business activity and carrying out self-reflection within themselves, micro-entrepreneurs changed business locations but still engaged in a similar kind of business. Changing business locations was the easiest thing to change and a reactive response to just change something in the business after failing in

the first business. These responses were unsustainable and still could not yield any positive outcome for the business. This interpretation is confirmed by one micro-entrepreneur who was dealing in second hand men's clothing. He started by displaying the clothes on a certain location but the sales were not promising and as result decided to hawk the clothing from one client to another without much success:

I moved to another neighborhood but still I was not selling (SFME, 14)

The findings above imply that affective networks can also turn destructive. This study's findings show that affective networks are only effective in the early stages of business establishment beyond which they become destructive. This means that continual association with affective networks reinforces the feelings of entrepreneurial incapabilities among survival-focused micro-entrepreneurs. This drives them to enact defensive strategies which are not beneficial in the long term. This is because they charge key business responsibilities to affective networks. These findings contradict (Hakanen, Kossou and Takala, 2016) network evaluation model that found that business-focused networks are more significant during the initial phases of venture formation as opposed to affective networks. Hakanen et al. (2016) focus was on resource rich micro-entrepreneurs in a developed country context. Although Nordman (2016) and Lock and Nordqvist (2010) found that family networks play detrimental roles in informal business, these studies stopped short of exploring ways entrepreneurs overcome the negative effects. Therefore, this research contributes to network dynamics literature. It takes into account limited literature (Jack et al., 2010; Patel and Cooper 2014) on entrepreneurial network dynamics and the role of affective networks at each stage. This is because affective networks are seen to be beneficial at the beginning of business formation and during failure situations but can get detrimental at a point of facilitating micro-entrepreneurs move from survival-status to growth orientation. SFMEs also interacted with cognitive who impacted on their entrepreneurial lives.

4.2.2 Role of Cognitive Networks

The second objective of the study was to investigate the role of cognitive networks on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi. To do this, the cognitive network concepts generated from the data structure in figure 4 was used to explain the roles of these networks. Survival-focused micro-entrepreneurs progressively recognized the importance of cognitive networks as opposed to previously where they leaned more on affective networks. Cognitive networks were useful to micro-

entrepreneurs' businesses, they were more experienced, possessed the required skills, were well connected and had the capability of inducing feelings of positive effects to micro-entrepreneurs.

4.2.2.1 Learning orientation inculcated

The failures micro-entrepreneurs went through in the first businesses prompted learning. These failures created situations that necessitated micro-entrepreneurs to learn in order to come out of survival status. Specifically, survival-focused micro-entrepreneurs widened their focus beyond survival. Past business failures made micro-entrepreneurs move from their old methods of doing things and adapt new methods. They understood the need for continual self-improvement in business through partnering. They partnered with their business peers who were excelling in business. It came to their realization that the challenges they encountered were similar to those encountered by their successful peers. Thus, given the fact that their successful peers handled such challenges they also got motivated that they could also deal with them. Micro-entrepreneurs also understood the importance of responding to the changing business environment through business networks. Thy realized the importance of linking with business peers who were succeeding in business.

For example, one micro-entrepreneur who was at the time of interview operating a successful clothing business in the city, described how on several instances his business did not go as expected but he did not give up. He described these challenges as opportunities that provided an avenue of learning from his business mistakes:

The power of networking, it's not working alone, it's an up-hill task, it gets you out of your comfort zone …its living with others. For you to grow, you need to change, you need to style up if you want to be successful. Competition is so high in all the industries (SFME, 1)

As demonstrated above, micro-entrepreneurs learning from past business failures are essential to elevate them from survival status.

In addition, micro-entrepreneurs also displayed stronger learning orientation through Engaging in learning oriented short term strategies. These included operating small businesses on the side with an aim of elevating the main business. They used these side businesses to generate extra income and to act as collateral for the main business. The

side businesses were instrumental because they cushioned the core business. For example, a micro-entrepreneur who was in business for 10 years and had the opportunity to attend various entrepreneurial trainings offered by different organizations to empower entrepreneurs with business skills, commented on how he benefited from it:

At the moment I do some social training and other volunteer works and get some allowances from that, I can use some money from that to test the market. I can start with small and grow big just like Timo (SFME, 11)

As expressed above, micro-entrepreneurs viewed the trainings as a route to elevating their surviving businesses and eventually growing them.

Micro-entrepreneurs also personally reached out to clients wherever they were located. This was a sure sign that SFMEs were learning from their previous mistakes and were taking the initiative to personally source for clients as opposed to waiting for clients to come wherever they were. In addition, the short-term trainings micro-entrepreneurs attended were relevant. These trainings provided useful skills necessary for the entrepreneurs' business and this made them to start questioning their entrepreneurial skills. The feeling was that through such relevant trainings, the SFMEs could elevated beyond survival status. Micro-entrepreneurs also felt the need to adopt to competition. They felt they were ready to compete with their peers.

The above suggests that micro-entrepreneurs were now becoming aware of business alternatives. Hence, learning from business failure is strongly determined (among other things) by the switch in network type by micro-entrepreneurs. Actually, this finding is contrary to Eggers & Song (2015) who recognized that firms apply previous experience to a new venture but emphasized that learning only occurs when same industry is maintained. The results from this study indicate that changes made by firms' in subsequent ventures could have impressive results on subsequent venture growth even when the industry is not maintained. In regard to survival entrepreneurship literature (Grosh and Somolokae 1996; Philips and Bhatia-Panthaki 2007) and network literature (Gomez-Mejia and Nunez-Nickel 2001; Khavul et al. 2009), a common suggestion is that because survival-focused micro-entrepreneurs are resource- constrained, and as a result fail to improve their businesses, and affective networks make them more resource-constrained.

For this reason, the researcher thought that failure was an event that was going to reinforce reliance on affective networks and therefore reinforce the cycle of remaining survival-focused. However, possibly the most surprising finding from this study is that because the researcher began by looking at how networks evolves , failure turned out to be a critical episode that pulled some micro-entrepreneurs out of a survival-focused mode. Therefore, this study contributes to failure in survival-entrepreneurship literature and shows that business failure is a critical episode in the life of survival-focused micro-entrepreneurs because it acts as a catalyst to rethinking network strategy. It is a push for these micro-entrepreneurs to act differently.

4.2.2.2 High entrepreneurial self-confidence instilled

Micro-entrepreneurs had high self-confidence to do things differently and be like their successful peers. Specifically, micro-entrepreneurs engaged in active upward social comparison with business networks and thoughts of business expansion and person recognition started manifesting.

They compared themselves with successful peers with an aim of emulating the traits that differentiated them from those who weren't as successful. Micro-entrepreneurs evaluated their own weaknesses and peers' strengths as compared to themselves. This is in contrast to the earlier period when they associated more with affective networks, where the micro-entrepreneurs blamed external factors for their business failures, during this phase they reflected on their performance, comparing it with that of their successful peers, and began thinking that their first business failure was caused by things they could have done differently or avoided.

Apart from admiring their successful peers, micro-entrepreneurs went a step further to blame themselves for lack of motivation in previous failed businesses. They identified their peers' strengths and questioned why they could not also be like them. Micro-entrepreneurs reached out both to successful people they knew and to successful people with whom they did not have relationships they expanded their entrepreneurial business networks. The aim was to build a much closer relationship with these peers to establish what made them excel. For example, a micro-entrepreneur, who at the time of the interview sold both new and secondhand men's clothes, in the past decided to work for a successful micro-entrepreneur in order to learn the tricks of the business.

For instance, they blamed themselves for their actions or inactions in the first business that caused the business to fail and attributed failure to their inability to rescue it. Micro-entrepreneurs displayed signs of high self-confidence in various ways:

I could have done this long time ago, even in my first business but I was near sighted, I did not see into the future. I just wanted to make money there and then. I can also excel like Oscar (SFME, 20)

Micro-entrepreneurs also questioned their role in the failure of their first business and came to realize that their actions impacted both directly and indirectly on its failure. For example, they attributed failure to their laxity in getting personally involved in the business and instead delegating core duties to others. The reason for this was that they lacked confidence to take risky but valuable business initiatives. Making internal causal attributions to business failure motivated micro-entrepreneurs to change how they carried out business activities. For example, one micro-entrepreneur who was into clothing business and did it for three years without success realized she could change after learning that she was the reason for her failures.

I failed in the clothing business but it does not mean am a total failure. I was not doing the right things but now I have learnt (SFME, 15)

Furthermore, thought of starting more business branches regionally and abroad. After realizing that they had themselves to blame for business failure, they started brainstorming ways to avoid repeating such negative experiences in the second business and considering the paths that would drive business growth. They thought of further expanding their cognitive networks and relating with them frequently. This was a sign that their levels of confidence had risen.

In addition, micro-entrepreneurs felt the urge for personal business visibility. They wanted to be entrepreneurially visible and recognized by their peers Micro-entrepreneurs thought of broadening their business activities, increasing the quantity of reliable clients and also seeking acknowledgement by others in their line of business. They opened more business branches regionally, enlarged the number of reliable clients and discussed with entrepreneurial peers how well they were performing in business. A good example is a micro-entrepreneur who after trying on several occasions to grow his online business without much success decided to do an online search on how to succeed in online business. He came across a successful entrepreneur who had been in the online business for several years and was doing well. The micro-entrepreneur admired how the person

grew from humble beginnings to being a renowned online business owner and as a result decided to also come up a new sustainable business model:

But with this new model, I can be able to establish it, through a process of testing the market, I know who my customers are, I start targeting them, I try to do the best and get expanding. The moment it grows, I will be able to get people to go deliver products. The new model will be more sustainable and I would be able to coordinate it from anywhere I will be. (SFME, 11)

The findings above demonstrate that cognitive networks have a role in the growth orientation of survival-focused micro-entrepreneurs. Besides economic roles, these networks also play other roles psychological roles. Cognitive networks instill a sense of entrepreneurial confidence among survival-focused micro-entrepreneurs. After realization of how the cognitive networks are successful, survival-focused micro-entrepreneurs start making social comparisons between themselves and these networks. They realize that they can also be like their successful counterparts and as a result, start inquiring what is it that these networks are doing differently. They gain the confidence from these networks that they can also grow and become successful. Although Chua et al. (2008) and Schaubroeck et al., (2013) found similar findings, the focus was on economic resources and supportive contexts. This study takes into account the line of literature that considers networks from a contingency perspective (Anderson, 2008). This line of reasoning posits that cognitive network effects differ depending on the contextual factors of the actors. Therefore, this research second contribution is to survivalists /necessity entrepreneurship literature. It is only after interacting with cognitive networks that they start building confidence in themselves, get the courage to cope under tough conditions, learn from their past business failure, explore and start thinking of growing. This study contributes to this field by showing how cognition is a major variable in explaining the link between networks and growth orientation of survival-focused micro-entrepreneurs under resource constrained conditions. Secondly, this study also contributes to the psychologically informed literature of entrepreneurial networks (Barsade et al., 2012) by showing cognitive networks instill a sense confidence to survival-focused micro-entrepreneurs to grow.

4.2.2.3 Desire to move beyond survival-focus inspired

Gaining a sense of confidence, micro-entrepreneurs were also bold enough to venture into business areas where others were reluctant to explore. Specifically, there was a growing

realization by the micro-entrepreneurs that they had the potential to move beyond survival-focus. Micro-entrepreneurs realized they could grow by taking risks. They took risks that were costly but rewarding in the long term. Micro-entrepreneurs' realization that they could grow by taking risks was one of the factors that made them take individual initiatives in their business. They explored new markets, ventured into businesses without surety of accessing clients and sourced external business finances from organizations providing financial support. For example, one micro-entrepreneur who was into the business of selling sex toys described how it was difficult to deal with such products in the Kenyan setting. But with the knowledge that her products could be tricky to sell, she did not give up but had the determination that over time it will pick up:

It was a risk I was taking. It is a new market, I didn't know how people would view it, let alone buying my products. It is a tricky business. Clients are not confident to come even view my products so on top of that I also sell movies and in the process also incorporate the sex toys (SFME, 15)

The above was a demonstration that micro-entrepreneurs also recognized that they could grow by taking risks. Additionally, micro-entrepreneurs were in control of both themselves and their businesses. Micro-entrepreneurs were more knowledgeable and entrepreneurial cognitive networks provided inspiration to micro-entrepreneurs that they could take charge of their businesses. They operated in similar volatile business environment like their successful business peers. Moreover, after interacting with their business peers they realized that their actions and lack of interest led to their failures. This was a wakeup call that for them to move beyond survival-focus, they have to be committed to their businesses.

Additionally, Micro-entrepreneurs operated in permanent physical locations. They enacted strategies that were directed towards business and self-growth. They opted for permanent business structures. Permanent business structures are fixed business premises located in busy shopping centers and are rented by micro-entrepreneurs. These structures were a sign of stability and showed that micro-entrepreneurs could overcome tough conditions and achieve what they had initially thought was unachievable. For example, a micro-entrepreneurs who sold second hand clothing business with his friend and brother moved from hawking to selling their items in a stationary strategic location narrates how it was more profitable operating in shop as opposed to hawking:

Our makeshift shop was at a very strategic place. Clients could always come. Hawking the clothes was not bringing much (SFME, 18)

Moreover, micro-entrepreneurs strategically positioned themselves in the market to be able to effectively compete with others and grow. They focused on strategies that paid off slowly but were productive in the long term. For example, a micro-entrepreneur who had initially worked in a second hand clothing shop and decided to open his own shop still dealing with second hand clothing narrates how he opted to open his own shop in the same building where he worked to avoid losing clients he had already built:

Because I didn't want to lose my clients. The network I had already built. It is much easier to tell my clients who come looking for me at my previous employment place That I am also in the same building because telling them that I am situated in a different location altogether can be discouraging to my clients (SFME, 10)

The above was an indication that micro-entrepreneurs were already aware of what could move them from survival to growth orientation. One of the reasons was to strategically position themselves in the market.

Therefore, findings from this study suggest that survival-focused micro-entrepreneurs can grow. In order to to move from a survivalist to a growth orientation, micro-entrepreneurs first need to experience at least one failure event. Business failure is a stimulus that spurs growth. Secondly, they have to stretch themselves beyond the comfort zones provided by affective family networks by leaving these networks behind, even after business failure. This findings concides with (Carnabuci & Dioszegi, 2015) that cognitive networks encourages creativity. Hence, the idea that survival-focused micro-entrepreneur may never grow because their initial motive in starting a business is to survive (Phillips and Bhatia-Panthaki, 2007) misses that the objective of these micro- entrepreneurs could be growth. As survival-focused micro-entrepreneurs continuosly inetract with cognitive networks, they gain the confidence to move beyond survival-focus and grow. Colquitt et al., (2011) expalin that cognitive networks are based on competence and therefore SFMEs are positively influenced by these networks in their growth trajectories.

While scholars have emphasized the survival focus of these micro-entrepreneurs (Chua et al. 2003; Zahra et al. 2014; Carney 2015), they have largely failed to look at the network startegies these micro-entrepreneurs apply inorder to move from survival mode to growth orientation. In essence, this study on the role of entrepreneurial networks and failure attributions on growth orienation of survival-focused micro-entrepreneurs have shown

that cognitive networks instill a sense of entrepreneurial confidence among survival-focused micro-entrepreneurs after making social comparisons. Thus this study is in line with(Miller et al., 2015) positive effect of cognitive networks is dependent on the contextual factors of the actors. This line of reasoning posits that cognitive network effects differ depending on the contextual factors of the actors. This study contributes to the field of survival micro-entrepreneurship by showing how cognition is a major variable in explaining the link between networks and growth orientation of survival-focused micro-entrepreneurs under resource constrained conditions.

4.2.2.4 Motivation to inspire other aspiring micro-entrepreneurs infused

Micro-entrepreneurs employed actions that were not directed to their businesses but were aimed at others who could indirectly or directly benefit from the existence of micro-entrepreneurs' business. Micro-entrepreneurs did this to prove to themselves that they could also make a difference by positively impacting on other. Specifically, micro-entrepreneurs engaged in passive mentorship initiatives and mentorship accompanied with sponsorship.

Micro-entrepreneurs felt the need to nurture others from similar backgrounds. They felt they had accumulated sufficient entrepreneurial knowledge and experience and as a result could positively impact on others. Micro-entrepreneurs laid plans to mentor aspiring business minded others. Micro-entrepreneurs from this study came from humble backgrounds and as a result wanted to support aspiring entrepreneurs from such backgrounds. They aspired to inspire others and the reason for this was to depict their capability and potential. By way of illustration, one micro-entrepreneur explains how to him success was impacting positively on others:

It depends with what you value more in life. But I would say success is about impacting positively on other people, changing the cause of life of others in a positive way. That is my dream (SFME, 11)

Furthermore, micro-entrepreneurs set plans on ways to support young individuals into business. They forethought on how they could empower the youth from the humble backgrounds that they also come from. This gave the micro-entrepreneurs the motivation to even move beyond survival-focus situation.

Additionally, micro-entrepreneurs also actually mentored other aspiring business minded entrepreneurs from humble backgrounds. Micro-entrepreneurs motivated them that they can venture into business and succeed. Furthermore, micro-entrepreneurs financially sponsored upcoming micro-entrepreneurs from backgrounds similar to their own. They trained them in business, paid for their entrepreneurial training courses, they gave them start–up capital and they even paid for their bus fare to access organizations that offer entrepreneurship training free of charge. For example, a micro-entrepreneur who was involved in entertainment industry together with his dancing troop decided it was time to make a difference to the youth in the slums. They incorporated the youths in their dancing team with an aim of showing ways of eking a living. He narrates how hey empowered some boys to rise beyond financial instability:

To enlighten people on what we do. Just telling people that you are engaged in traditional dancing is not sufficient enough. Besides enlightening people, we are also doing it for the you, to engage the youth in the ghetto and change them. It is a way of mentoring them and influencing them to changing their mind on indulging in things like robbery (SFME, 12)

The findings above were a pointer that micro-entrepreneurs had embraced growth aspirations. They felt financially independent that they could also support other to follow in their footsteps. After interaction with cognitive networks, survival-focused micro-entrepreneurs harbor feelings of self-confidence and entrepreneurial capabilities. These micro-entrepreneurs develop the courage to cope under tough conditions, explored avenues for growth and felt the need to inspire others. This is an indication that an individuals' level of self-confidence and cognitive entrepreneurial networks contribute to entrepreneurial behaviors of micro-entrepreneurs. These networks shapes the way survival-focused micro-entrepreneurs view themselves, view the world around them and what they want to achieve in the future (Hoang and Gimeno, 2010). Cognitive networks are found to consist of positive interactions (Schaubroeck et al., 2011) and creative interactions (Carnabuci and Dioszegi, 2015). However, dissimilar findings are reported in studies by (Colquitt et al., 2011) that under situation of uncertainties cognitive networks are not significant. Though this study analyzed cognitive relationships, the focus was on fire fighters hence the complex performance.

This study on entrepreneurial networks and failure attributions is also in line with (Eggers and Song, 2015) that failure is a critical episode in the life of an entrepreneur. Surival-focused micro-entrepreneurs need to experience at least one failure event in order to

move from survival status to growth orientation. The reasoning behind this is that failure is a stimulant that spurs growth orientation among SFMEs.

Additionally, this study is in support of Hoang and Gimeno (2010) that cognitive networks shapes the way survival-focused micro-entrepreneurs view themselves now and in the future. Cognitive networks promote learning. This is because cognitive networks enhances micro-entrepreneurs' ability to engage in evaluative process of diagnosis and developing alternative causes of action during adversity in a proactive manner. Thus the primary contribution of this study is that it is to empirically show that psychological concepts constitute an important part that explains the role of networks and cognition in the growth orientation of survival-focused micro-entrepreneurs. Therefore, this study has heed and responded to the urgent calls of (Barsade et al., 2012) of psychologically informed concepts o networks by showing how cognitive networks instill a sense of entrepreneurial confidence among survival-focused micro-entrepreneurs in the slums of Nairobi, Kenya.

The role of failure attributions SFMEs make for their failure was also analyzed in figure 2 as shown following sections. The model in Figure 4 also unpacks how internal and external failure attributions impacts on the growth orientation of survival-focused micro-entrepreneurs.

First, micro-entrepreneurs associated cause of failure in the first business to both human and physical external factors outside their control. The reasons included; poor business location, lack of business peers, lack of client feedback, partners mistakes, unfavorable business conditions, others bad attitude, bad influence of others, wrong advice from others, destruction from others, social destructions, peer and clients sabotage, disliked by clients and failure to share technological skills by peers. The external failure attributions these micro-entrepreneurs made prompted them to take hands off approach in their own business but on the other hand, protected their own sense of self-belief and confidence to start a new second business after the first business failure. One micro-entrepreneur who is concurrently running a second hand men's clothing shop and second hand children's clothing shop and who has had been self -employed for the last 8 years commented that:

"When you are new in the market it gets tough. You know nothing-have no clients, you don't know where to get stock, you have no right connections and all these things are out of your control. You have to take it by the chin and accept whatever outcome" (SFME, 14)

The above was an indication of SFMEs blamed both human and physical factors and their failures.

Second, SFMEs also attributed their failure to uncontrollable external factors. The reasons included; lack of support from the county government, bad luck, demanding clients, theft, lack of supplies, negative impact of peers, questioning others, intense entrepreneurial tasks and lack of clients. Attributing failures to uncontrollable external factors made SFMEs fall into self-perpetuating cycle and avoided dealing with their business related failures. Thus, micro-entrepreneurs downplayed their roles in failure and as a result blamed uncontrollable factors for failures. For example, one of micro-entrepreneurs selling second hand men's clothing in an open air market kept on blaming poor weather conditions for his failures. This SFME ended up closing down his shop as a result of poor sales caused by frequent rainy conditions and could no longer continue:

"Getting clients was a nightmare. Looking for them was even difficult because it kept on raining and displaying my stock in the open air market was impossible. I could not even look for clients due to bad weather. I had to close my business during this period". (SFME, 5)

This was an indication that they were taken hands off approach in managing their failures and were ready to blame factors beyond their control.

Third, SFMEs further blamed Low Financial Independence as a contributing factor to failure in the first business. Specifically, they mentioned they incurred bad debts from family and friends, they lacked capital and operating finances and were charged high taxes. Most micro-entrepreneurs in this study were pushed into self-employment due to lack of employment, they come from very humble backgrounds and as a result getting sufficient starting capital for their business is usually a nightmare. They end up borrowing money from family and friends to start their business because they even lack the confidence to independently seek for external business finance. Thus, these are some of the reasons that made these micro-entrepreneurs attribute lack of finances as contributing to failure in the first business. For instance, a micro-entrepreneur who started his first business with Ksh.1000 from his mother to buy himself a pair of shoes used this money to

buy a shoe but which he ended up selling to a willing buyer at Ksh.2000. Motivated by this act, he decided to get into self -employment but the operating finance was still insufficient indicated lack of finance as a key factor that contributed his failure in the first business:

"I can say that capital is still the biggest challenge especially to most of us who come from the ghetto. Without capital you can head nowhere, you cannot grow. When you have good capital you will be able to achieve many things, your things will be moving fast and trust me you will excel. But with the current situation, especially for us in these surrounding it becomes very difficult to get good capital unless you have connections. It Kenya, it's all about connections". (SFME, 9)

Although micro-entrepreneurs blamed lack of capital and operating finances as key attributes to first business failure at this point, they were still able to access the same from family and close friends.

Fourth, task difficulty was another reason that SFMEs attributed their first failures to. Specifically, they blamed difficulty in learning from their first failures, hard business tasks and attributed difficulty in managing clients. Micro-entrepreneurs attributed task difficulty for their failures. Specifically, they indicated difficulty in managing clients who were always had options and could buy from their competitors. They also quoted difficulty in searching for supplies; marketing was competitive that they could not cope. One micro-entrepreneur who is concurrently running a baby's clothing shop and who had been in business for the last four years commented that:

"When you are new in the market it gets tough. Clients are difficult to get and when you get them managing them is hard. You don't know where to get stock, you have no right connections and all these things are out of your control." (SFME,17)

The above was a sign that micro-entrepreneurs felt the tasks they were engaging in were difficulty thus leading to their failures.

The role of internal failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi was also derived from the data structure in figure 4. First, after interacting with cognitive networks, SFMEs attributed failures to both intentional and unintentional actions. Specifically, they blamed lack of growth thoughts, lack of entrepreneurial interest, and disorientation after failure, mistakes they made, paid

little attention on their business and failure to take their businesses seriously. Micro-entrepreneurs blamed both their intentional and unintentional actions for their failures. One of the intentional actions they blamed themselves for was failing to take their businesses seriously. They illustrated that it was now time to put more effort and time to their business. In addition, they blamed unintentional actions for their failures. They indicated that they got disoriented during their first failure which demotivated them and reinforced the cycle of remaining survival. A good example is a micro-entrepreneur who was not consistent in his timings on business opening hours which led to him losing clients illustrates:

"*I was not so much interested in what I was doing, mainly because I felt I was not heading anywhere. I was not making good business. So sometimes I could open my business and at times stay the whole day without even opening. This made me lose lots of my clients". (SFME, 9)*

This analysis shows that micro-entrepreneurs realized that it was something within them that made them fail in the first business.

Second, micro-entrepreneurs also blamed lack of self –motivation for failure in their first business. The reasons they gave were; lack of business strategies, lack control over failure events, failure to change business situation, lack motivation, they were less careful, lacked confidence to learn but had the confidence to blame others, lacked concentration and failure to embrace what they did. Generally, micro-entrepreneurs lacked the motivation to carry on with their business after the first failure experience. They felt dejected. One micro-entrepreneur explains how he was in the verge of giving up when he realized he was running out of stock yet making consistent losses. The micro-entrepreneur was surprised how he was selling to many clients and with no returns only to learn that most of the sales were made on credit:

"*I had many customers but was not making any profits at all. I could buy more stocks from Gikomba but I didn't know where they were going only to learn that I sold most of my stock on credit and customers failed to pay. I lost the entire psyche to continue, it was too much for me. I almost gave up". (SFME,7)*

Third, micro-entrepreneurs further attributed their failures to lack of ability. They failed to put more effort into their businesses, lacked business preparedness, lacked inborn ability to deal with failures, lacked intrinsic motivation to continue with business after failure, failure to adopt to competition, failure to learn from their mistakes, failure to learn to grow, lack ability to manage business, question entrepreneurial skills and lack of

entrepreneurial understanding. Micro-entrepreneurs felt they could not effectively compete with their successful peers, they felt they were incapable. As a result, place very little effort to handle their failures and move from survival focus. One micro-entrepreneur whose first business was selling second hand men's clothing moved to selling second hand women clothing business narrates how it reached a point that he felt he needed to learn more tricks in the business in order to move:

"It reached a point that I felt I could not manage my business I was losing clients, I was not get the right orders, like you know in Gikomba we have those 'camera' clothes. These clothes were only reserved for a chosen few! You had to bribe to get them. I had to put more effort to compete." (SFME, 13)

The above was an indication that micro-entrepreneurs also realized their deficiencies in regard to businesses.

Objective 3 and 4 were analyzed using multiple regression analysis. In objective 3, only the factors with alpha values greater than or equal to 0.7 were considered in the regression analysis. External attribution Factor 2, 3, 5, 6, 7, and internal Factor 1, 3, 5, 7, 11 were considered for multiple regressions analysis. The relationship between affective entrepreneurial networks, cognitive entrepreneurial networks, internal failure attributions and external failure attributions (independent variables) to growth orientation (dependent Variable) of survival-focused micro-entrepreneurs was also examined using multiple linear regressions in objective 4.

4.3 Profile of Respondents who participated in the Questionnaires

A total of 150 questionnaires were given to survival-focused micro-entrepreneurs from NTF out of which 4 declined to respond and were therefore categorized as non-responses hence providing a net response rate of 94 %. Mugenda and Mugenda (2003), 50% response rate is adequate, 60 % good and above 70% is regarded as very good. Hence, this study rate of return of questionnaires was very good.

Table 4.2: Personal characteristics of questionnaire participants (N=146)

Demographic variable	Frequency	Percentage
Gender		
Male	83	56
Female	63	44
Age		
17-22	101	70
23-28	31	22
Above 28 years Less than	14	8

4.3.1 Gender of micro-entrepreneurs

Gender of an entrepreneur has an effect on the success of a business such as growth ambitions and location of the business (Mead and Liedholm, 1998). The study found out that male participants are more (56%) against female participants (44%) in fig 4.1. This means that gender does play a role among survival-focused micro-entrepreneurs. Males are more involved in survival-micro-entrepreneurship as compared to females. According to (Thieme, 2013) who carried out a study by using survey on the 'hustle' amongst youth entrepreneurs in the slums of Mathare found that male entrepreneurs were more engaged in business in the slums due to their masculinity nature. In another study in eastern, western and central Kenya on educated young farmers (Mwaura, 2017) supported this study's finding that males were more involved in income generating activities as opposed to females. The study therefore concludes that gender plays a role amongst growth orientation of survival-focused micro-entrepreneurs.

4.3.2 Age of Micro-Entrepreneurs

This study also queried age of survival-focused micro-entrepreneurs. The study revealed that 70 % of SFMEs are in the 17-22 age range, 22% in the 23-28 age range. About 8 % of them were above 28 years. Majority of participants were aged below 35 years. This implies that young micro-entrepreneurs have dominated the survival-focus type of businesses. The dominance is much pronounced in the age category of 17-22 years. The findings are similar to (Garoma, 2012) who carried out a study on the determinants of success among entrepreneurs in informal urban sector in Addis Ababa using both qualitative and quantitative methods and found that the youth dominated Ethiopia's informal sector. Ayyagari, Demirguc-Kunt and Maksimovic (2014) who did a study on job creation in India found that young entrepreneurs dominated the low-income sectors.

Thus the study concludes that age could contribute to the growth orientation of survival-focused micro-entrepreneurs.

The business background of micro-entrepreneurs was also collected. This included years in business, number of businesses previously operated, number of employees and failure events micro-entrepreneurs experienced.

Table 4.3: Business characteristics of questionnaire participants (N=146)

Business variable	Frequency	Percentage
Years in Business		
Less than 3 years	19	13
3-5 years	79	54
6-9 years	44	30
10 or more years	4	3
No of Buss previously operated	7	5
Less than 2 businesses	88	60
2-4	51	35
Above 4 businesses		
No of employees	124	85
None	18	12
1-2	4	3
More than 2		
Failure events experienced	7	5
Less than 2 events	88	60
2-4 events	51	35
More than 4 events		

4.3.3 Years in Business

Table 4.3 indicates, majority 54% of entrepreneurs had been in business for a period of 3-5 years, 30 % of the participants indicated that they had been in business for a period of 6-9 years and 3 % of the participants had been in business for a period of 10 and more years. The finding above reflects the survival rate of survival-focused micro-entrepreneurs. Majority (54%) have surpassed the third year mark of survival in business. The findings agrees with those of (Khavul et al., 2009) who made a comparative study of informal micro-financed micro-entrepreneurs in East Africa and found that entrepreneurs who were growing had been in business for more than five years. Similarly, Thieme

(2013) found that young male entrepreneurs in the slums of Mathare had been in business close to four to five years. However, a study by (Mwaura, 2017) found that majority of young entrepreneurs from Kenya only take survive for a maximum of two years. The contradicting results are because Mwaura (2017) focus was not on growth but on young educated farmers. This research therefore concludes that for SFMEs who go through incubation centers are able to survive longer in business after they start harboring growth orientation.

4.3.4 Number of Employees

The number of employees was also analyzed. Table 4.3 indicates that majority of survival-focused micro-entrepreneurs 85 % operate their business operations on their own. They have not employed any workers. Only 3% employed more than 2 employees and 12 % engaged between 1-2 employees. Various studies of micro-entrepreneurs in least developed countries showed a similar pattern to the above findings. The implication is that the number of employee employed by SFMEs in the slums of Nairobi is still low since they are still in the growth transition phase and perform all the business related activities. The findings echoes the works of Siwadi and Mhangami (2011) who demonstrated that entrepreneurs in Zimbabwe operating under resource limited conditions rarely hire staff but are sole founder managers due to the small size. In the contrary (Visilchenko and Morrish, 2011) in a study in New Zealand using qualitative approach found that entrepreneurs hire staff to help them grow their network and enlarge their contacts. In conclusion, this study is that although founder employees might play a role for venture performance, they might not be necessary during the growth transition process of SFMEs.

4.3.5 Number of failure events

Table 4.3 shows that majority of participants (80%) had also experienced several failure events, between 2-4 failure events. It is only 5% of the participants who had experienced less than two failure events. The number of failure events is linked to the number of businesses previously operated. The results imply that survival-focused micro-entrepreneurs experienced several failures in the course of their businesses. After each failure experience micro-entrepreneurs either start a different business or one that is almost similar with previous business. This results conforms the results on entrepreneurs in informal economies by (Thieme, 2013) and those of (Khanna et al., 2013) who found

their participants to have operated between three to four ventures as a result of business failures. Nonetheless, this finding is in in contrast with those of (Eggers and Song, 2015) who did a study to investigate the presence (or absence) of learning benefits from previous business failures and found that after experiencing failure events, entrepreneurs are likely to change industries.

4.4 Results for Quantitative Objectives

The results of the qualitative study were used to design the questionnaires in the quantitative study. Important themes from the narrative interviews were used to develop the questionnaire design and particular items. Thus qualitative results in objective 1 and 2 were used to inform the quantitative study.

4.4.1 Objective 3: Effect of internal and external failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi

The study sought to establish the effect of internal and external failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi. Multiple regression was used to explain the relationship between external and internal failure attributions to micro-entrepreneurs' growth orientation. The relationship between demographic factors with growth orientation was first analyzed.

Regression model 1: Relationship between growth orientation and demographics-No of failure events

Multiple regressions was performed to test the correlation between growth orientations as the dependent variable and the seven (7) demographics namely; Age, Gender, Years in business, No of failure events, No of businesses previously operated and No of employees as independent variables. Over half of the micro-entrepreneurs were found to be relatively young. However, age was found to be insignificant at p-value=0.09648. The differences in gender had no influence on micro-entrepreneurs' growth orientation as gender was found to be insignificant at p=0.6615. Nearly all SFMEs had more than two years of business experience and had operated more than two businesses but surprisingly this did not impact on their growth orientation at p=0.07374 and 0.3318 respectively. Majority (85%) of the micro-entrepreneurs were owner managers but this had no implication on growth orientation at p=0.2226. The number of failure events was the only item that was found to have a positive correlation with growth orientation with a p-value = 0.04249 as shown in table 4.4.

Table 4.4: ANOVA for the effect of No of failure events

Model		Df	Sum of Squares	Mean Square	F	Pr(>F)	Sig
	No of Failure events	5	0.11821	0.0236423	2.685	**0.04249**	*
	Residuals	140	1.23282	0.008806			

Signif. codes: [0,0.001] '***' [0.001,0.01] '**' [0.01,0.05] '*' [0.05,0.1] '.' [0.1,1] ' '

Since p< 0.05, the null hypothesis is rejected at 5% level of significance with regard to the number of failure events. Hence it is concluded that the number of failure events micro-entrepreneurs experience is positively correlated with survival-focused micro-entrepreneurs' growth orientation.

Regression model 2: Relationship between growth orientation and external failure attributions

To investigate the external failure attributions only the factors that were reliable in estimating the external failure attributions were included in the analysis. For external failure attributions F2, F3, F5, F6 and F7 were reliable with alpha value above the required threshold of 0.70. This result conforms to the qualitative findings that human factors, harsh external environment, task difficulty, uncontrollable external factors and Low financial independence were the key external factors SFMEs attributed their failures to. Thus, a regression model was fitted for each of these factors to test the findings. A summary of the p-values obtained for each regression are also shown in the external failure attribution factor structure in Table 4.5

Table 4.5: External failure attribution factor structure

Factor	No of variables	Variables	P-Value	Core Factor Naming
Factor 2	4	-Bad attitude of others -Poor direction of my buss influenced by others -I get wrong advice from others -I fail to receive feedback from clients	0.06276	Human Factors
Factor 3	3	-I lack support from county government -Business broken into -Demanding clients	0.439	Harsh external environment
Factor 5	3	-Difficulty learning from failures -Hard business tasks impair my performance -Poor and difficult client management	0.3181	Task Difficulty
Factor 6	**3**	-un-conducive weather conditions -Lack time -Bad Luck	**0.03302**	Uncontrollable external factors
Factor 7	**3**	-Bad debts -Lack operating finances -Am charged high taxes by the county	**0.00121**	Low Financial Independence

Since the p-value <0.05, the null hypothesis is rejected at 5 percent level of significance with regard to F6-uncontrollable external factors (p-value =0.03302) as indicated in Table 4.5. The p-value for Factor 7-low financial independence is 0.00121 less than 0.05, the null hypothesis is rejected at 5 percent level of significance. Hence it is concluded that 'Uncontrollable external factors' and 'low financial independence' external failure attributions have a statistically significant effect on growth orientation of micro-entrepreneurs.

Regression model 3: Relationship between growth orientation and internal failure attributions

To investigate the internal failure attributions, only the factors that were reliable in estimating the internal failure attributions were included in the analysis. For internal failure attributions, F1, F3, F5, F7 and F11 were reliable with alpha value above the required threshold of 0.70. This result is in tandem with the qualitative findings that intentional and unintentional actions, Lack of self-motivation and lack of ability were the key internal factors SFMEs attributed their failures to. Thus, a regression model was fitted for each of the five (5) factors. A summary of the p-values obtained for each regression are also shown in the internal failure attribution table structure 4.6.

Table 4.6: Internal failure attribution factor structure

Factors	No. of variables	Variables	P-value	Core Factor Naming
F1	**4**	-Lack growth thoughts -Lack entrepreneurial interest -Failed to take business seriously -Paid less attention to business	**0.02883**	**Intentionality**
F3	**3**	-Lack inborn ability to deal with failure -Lack ability to manage my business -Lack entrepreneurial understanding	**0.00586**	**Lack Ability**
F5	3	-Less motivated after my previous failure -Lack intrinsic motivation to continue after failure -Disoriented after failure	0.9492	Lack self-motivation
F7	3	-I didn't like what I did -Lack concentration -Less careful with my business	0.1898	Moods
F11	3	-Failure to adopt to competition -Failure to learn from failures -Failure to learn how to grow	0.6813	Lack knowledge

Since p- value is less than 0.05 as shown in table 4.6, the null hypothesis is rejected at 5 per cent level of significance with regard to F1-intentionality (p-value= 0.02883). P-value for F3-lack of ability is 0.00586, hence less than 0.05. The null hypothesis is therefore rejected at 5 per cent level of significance. Hence it is concluded that 'intentionality' and 'Lack of ability' internal failure attributions have statistically significant effect on growth orientation of micro-entrepreneurs.

Backward Stepwise regression model 3: Relationship between growth orientation, demographics external and internal failure attributions

The factors found to be significant in relating with micro-entrepreneurs' growth orientation were put into one model. The objective was to determine what combination of factors would yield the best model that summarises the relationship between growth orientation, demographics (No of failure events), and internal and external failure attributions variables. Therefore, backward stepwise regression was applied to select the best possible fitted multiple linear regression model having all the variables of interest. Backward Stepwise regression seeks to add and/or remove potential variables in the models and maintain those which have significant effect on the dependent variable (Bruce and Bruce, 2017) starting with all predictors variables in the model and iteratively removes the least contributive predictor. Hence, the objective is to select the best variables for the model.

The Akaike Information Criteria (AIC) of the model is also computed and the model yielding the lowest AIC is retained. AIC is a measure of the relative quality of a statistical model. The lower the AIC value, the better the model because it is less complex but still fit for the data. AIC known as the Akaike Information Criterion is a statistical technique that compares the residual variance of the potential models while also balancing the number of parameters.

Table 4.7: Backward Stepwise model path table

Initial model:
Growth orientation means=demographics (No of failure events)+ External Fail Att.F6+ External Fail Att.F7 + Internal Fail Att.F1+Internal Fail Att.F3

Final model:
Growth orientation means= External Fail Att.F6+ External Fail Att.F7 + Internal Fail Att.F1

	Step	Df	Deviance Residual	Df	Residual. Dev	AIC
1.				140	0.9851002	**-622.7310**
2.	**Demo (No. of failure events)**	1	4.631292e-05	141	0.9851465	-624.7249
3.	**Internal.F3**	1	1.961166e-03	142	0.9871077	-626.4664

The first step in Table 4.7 indicates that the starting AIC with the full initial model was -622.7310. The second step during the backward stepwise model was to eliminate the demographic variable (Number of failure events) which lowered the AIC value to -624.7249. The third step in the BSM was to eliminate internal failure attribution (F3)-lack ability and the AIC was further lowered to -626.4664. In eliminating all the remaining factors (F6, F7, F1) the AIC did not change but maintained at -626.4664. This implies that external failure attributions F6 (Uncontrollable external factors), F7 (low financial independence) and F1 (Intentionality) internal failure attributions were found fit in explaining the variability in growth orientation. This model had the least AIC value. A model is often considered best if it explains the most variability while using fewer parameters. The following table shows the analysis of variance table for the observed model.

Table 4.8: ANOVA for multiple regressions

Model	Variable	Df	Sum of Squares	Mean Square	F value	Pr(>F)	Sig
	External FailAtt.F6	1	0.04731	0.047306	6.8066	**0.01536**	*
	External FailAtt.F7	1	0.23509	0.235090	33.8259	**2.242e-07**	***
	Internal FailAtt.F1	1	0.08153	0.081530	11.7309	**0.00160**	**
	Residuals	142	0.98711	0.00695			

Signif. codes: [0,0.001] '***' [0.001,0.01] '**' [0.01,0.05] '*' [0.05,0.1] '**.**' [0.1,1] ' '

Table 4.8 shows the F-test calculated for each parameter. When the probability with F-value is below an alpha level of 0.05, then it is regarded as significant and the variable is considered in the final model. Table 4.8 revealed that for external attribution F6 (uncontrollable external factors) p-value=0.01536. Since p-value < 0.05, the null hypothesis is rejected at 5 percent level of significance with respect to F6. In addition, external failure attribution F7 (Low financial independence) p-value = (2.242e-07). Since p-value < 0.05, the null hypothesis is rejected at 5 per cent level of significance with respect to F7. In regard to internal failure attributions, p-value =0.00160. Since p-value < 0.05, the null hypothesis is rejected at 5 per cent level of significance with respect to F1 (intentionality). This provides affirmation of the existence of a linear relationship between the dependent variable (growth orientation) and the explanatory variables (F6, F7 & F1). This means that the regression model is well determined by these factors.

To test the significance of each predictor variable, t-test was performed to test the null hypothesis that external failure attribution F6, external failure attribution F7 and internal failure attribution F1 has no effect on the model against the alternative hypothesis that the predictor variables have effect on the model. T-value was performed for each parameter and if the probability associated with each t-value is below the standard alpha level of 0.05, the variable was considered in the model. The t-test results in table 4.9 indicate that F6, F7 & F1 coefficients are significant with $p < 0.05$.

Table 4.9: Coefficients Regression

	Estimate	Std. Error	t-value	**Pr (>|t|)**	Sig
(Intercept)	**4.901265**	0.109437	44.786	**<2e-16**	***
External FailAtt.F6	-0.028200	0.020034	-6.408	0.01617	*
External FailAtt.F7	0.57087	0.009614	5.938	**2.63e-08**	***
Internal FailAtt.F1	-0.071837	0.022268	-3.226	**0.0016**	**

Signif. codes: [0,0.001] '***' [0.001,0.01] '**' [0.01,0.05] '*' [0.05,0.1] '.' [0.1,1] ' '

Residual standard error: 0.08851 on 142 degrees of freedom

Multiple R-squared: 0.4694, Adjusted R-squared: 0.452

F-statistic: 15.48 on **3** and **142** DF, p-value: 1.235e-08

Table 4.9 shows that the coefficient of F6 (uncontrollable external factors) is -0.028200 represents a negative effect on micro-entrepreneurs' growth orientation, holding all other

factors constant. The estimated negative sign indicates that growth orientation will decrease by -0.028200 for every unit increase in F6 and the coefficient value is significant at 5% level. Thus, the negative relationship between external failure attributions F6-uncontrollable external factors and micro-entrepreneurs' growth orientation is an interesting finding because many researchers have looked at external failure attributions in general as opposed to analyzing specific external failure attributions factors.

A reason for this could be that when SFMEs blame their failures to uncontrollable external events, they tend to lose focus on their growth intentions and take hands off approach in handling failures. These findings are in line with Diwas, Staats and Gino (2014) carried an empirical analysis to investigate how individuals learn from their own past experiences and from the experiences of others with both failures and success. Their data consisted of 71 cardiac surgeons in Massachusetts hospitals in the US. They found that individuals fail to learn from their own failures because they attribute factors external to themselves for their failures. However, this study contradicts Cardon et al. (2011) findings who carried out a study with a sample of 389 entrepreneurs from the US with the objective to examine the attributions of entrepreneurs who had experienced failure experiences in different areas of their ventures. Their findings revealed that whether entrepreneurs attributed failures to their own mistakes or as a result of external factors outside their control, did not matter much. Their conclusion was that the consequences of failures varied between different regions in the country. This research sample was from developed country. This intended study will focus on some different sample-micro-entrepreneurs from an emerging economy and operating under resource constraints conditions. In support of Diwas et al., (2014) that external failure attributions does not facilitate learning, (Franco and Haase, 2010) explain that external factors are always cited for entrepreneurs' failures. However, the authors further explain that attributing failures to external factors is damaging to the performance of micro-entrepreneurs. This is because it hinders learning from taking place.

Moreover, this study on entrepreneurial networks and failure attributions on growth orientation of SFMEs in the slums of Nairobi, Kenya is in agreement with (Yamakawa et al., 2015) that attributing failures to external factors can either have positive or negative outcomes. They further explain that the negative outcome is dependent on the number of

failure event experienced. The more the number of failure event experienced, the more entrepreneurs will attribute their failures to external factors beyond their control.

On the other hand, table 4.9 shows that the coefficient of external failure attribution F7 (low financial independence) is 0.57087. This represents a positive effect on micro-entrepreneurs' growth orientation after taking into consideration the effect of F6. The estimated positive sign implies that a unit increase in external failure attribution F7 (low financial independence) increases micro-entrepreneurs' growth orientation by 0.57087 after taking into account the effect of external failure attribution F6 (uncontrollable external events). This coefficient value is significant at 5 per cent level.

Contrary to past research (Diwas, Staats and Gino, 2014; Cardon et al., 2011, Franco and Haase, 2010; Rogoff, Lee and Suh, 2004) external failure attributions Factor 7 were found to be a predictor of growth among entrepreneurs. Rogoff, Lee and Suh (2004) carried out two separate surveys with an aim of collecting micro-entrepreneurs' narrations of their venture successes. The first survey was conducted with 189 pharmacy owners and the sample in the second survey was expanded to 236 business owners. Both studies were carried out in the US. The results revealed that bias occur when individual succeed (internal attribution) but blame external factors for failures (external attribution). The conclusion of the study was that self-serving attribution bias existed in entrepreneurial failures and always leads to frequent failures. Thus this study implies that financial aspect is a critical barrier to micro-entrepreneurs. As such, this requires micro-entrepreneurs to reflect and navigate on overcoming such critical barriers in order to grow and develop. The implication of this finding is that attributions are motivated by psychological considerations and entrepreneurs are in a situation to handle critical external challenges when they reflect about their actions. Thus, for micro-entrepreneurs to overcome their challenges and grow, they need to avoid blaming themselves with the intention to move from survival status to growth orientation. Making external attributions provides them the confidence to move on.

This finding is in support of past empirical research (KC, Staats and Gino, 2013) who investigated how individuals learn from their past mistakes and found that confidence plays a key role in the development of entrepreneurs and their ventures. They found that as a result of unexpected failures, individuals are thought to typically attribute failures to

external factors in order to maintain a positive self-image. In this study on entrepreneurial networks and failure attributions on growth orientation of survival-focused micro-entrepreneurs, SFMEs attribute failures to external factors (Low financial independence) and avoid blaming themselves in order to protect their confidence. Furthermore, the finding of this study is in tandem with (Yamakawa et al., 2015) external failure attributions can be positively or negatively associated with performance. They further explain that the positive outcome is linked to performance up until a certain point.

In regard to internal failure attributions, table 4.9 indicates that F1 (intentionality) is -0.071837 representing a negative effect on micro-entrepreneurs' growth orientation, holding all other factors constant. The estimated negative sign indicates that growth orientation will decrease by -0.071837 for every unit increase in F1 and the coefficient value is significant at 1 per cent level. Thus, the negative relationship between internal failure attributions F1-intentional actions and micro-entrepreneurs' growth orientation is a surprising finding because extant research argues that when individuals attribute factor internal to themselves for failures, it becomes beneficial to them. An explanation to this could be that micro-entrepreneurs take responsibility on themselves when they believe the failures are as a result of their own choices –F1 intentional actions. However, these actions decreases micro-entrepreneurs' growth chances due to lack of self –confidence in the early stages of their entrepreneurial life. During this period, micro-entrepreneurs harbor feelings of entrepreneurial incapability. However, this improves when they accept the situation and realize their competitors experience similar challenges.

This findings is in line with Yamakawa, Peng and Deeds (2015) who analyzed how previous entrepreneurial failure, attributions for failures and intrinsic motivation influenced one to operate a different venture. They did a questionnaire –based survey of new venture in Japan for 200 founders who have experienced failures in their businesses. They captured new venture growth as the study's dependent variable, internal attribution of blame was created as the percentage variable and four control variables were identified. The results of their study found that internal attributions of failure can be positively or negatively associated with venture growth based on the extent of failure events. They explain that internal attribution can lead to negative outcomes when entrepreneurs experience several failure events. However (Jordan & Audia, 2012) explains that internal failure attributions changes how individuals engage in reflection

following an experience and may motivate subsequent effort for learning and improvement.

In the contrary, this study on the role of entrepreneurial networks and failures attributions on growth orientation of SFMEs in the slums of Nairobi contradicts the findings of (Jordan and Audia, 2012). They explain that attributing failures to internal factors can change how individuals engage in reflection following a failure experience. Jordan and Audia (2012) describes how making internal failure attributions act as motivators for learning because the focus is on individual's ability and effort as causes of performance. They further explain internal attributions after failures as necessary conditions for changing human behavior. This study focused on survival-micro-entrepreneurs from a humble background and who had not achieved growth level. Therefore, attributing failures to internal reasons could further lower their already low level of self-confidence. This situation would make survival-focused micro-entrepreneurs stagnate in their survival status as opposed to holding growth orientations.

Cardon et al., (2011) findings are also in support of this study. Their findings revealed that whether entrepreneurs attributed failures to their own mistakes did not matter much. This is because the attributions entrepreneurs make for failures varied between different country contexts.

From the explained relationships, the regression analysis led to the formulation of the following multiple linear equations:

$$\text{Growth} = 4.9013 - 0.0282*\text{External\_Factor6} + 0.0571*\text{External\_Factor7} - 0.0718*\text{Internal\_Factor1}$$

The multiple regression model was significant ($F_{3, 142} = 15.48$, p-value = 1.235e-08). The adjusted R square shows how ideal the model can be generalized to the entire population (Fields, 2009). The adjusted R square is 0.452 which means that 45.2 per cent represents the strength of the relationship between the model and the independent variables. This well explains the changes in micro-entrepreneurs' growth orientation.

4.4.2 Objective 4: Effect of entrepreneurial networks and failure attributions on growth orientation of survival-focused micro-entrepreneurs

The fourth objective was to investigate the effect of entrepreneurial networks and failure attributions on growth orientation of survival-focused micro-entrepreneurs in the slums of Nairobi.

Multiple Regression

With growth orientation as the dependent variable, a multiple linear regression was performed with cognitive, affective, external and internal as independent variables. The resulting ANOVA is shown in table 4.10.

Table 4.10: ANOVA for multiple regressions on growth orientation versus affective networks, cognitive networks, internal and external failure attributions

Model	Variable	Df	Sum of Squares	Mean Square	F value	Pr(>F)	Sig
	External FailAtt.F6	1	0.04731	0.047306	6.7522	**0.015367**	*
	External FailAtt.F7	1	0.23509	0.235090	33.5555	**2.242e-07**	***
	Internal FailAtt.F1	1	0.08153	0.081530	11.6372	**0.00160**	**
	Affective Ntwks means	1	0.53654	0.536540	76.5829	**2.14e-07**	***
	Cognitive Ntwks means	1	0.07142	0.071420	10.1941	**0.001576**	**
	Residuals	140	0.98081	0.007006			

Signif. codes: [0,0.001] '***' [0.001,0.01] '**' [0.01,0.05] '*' [0.05,0.1] '.' [0.1,1] ' '

Table 4.10 shows the F-test calculated for each parameter. When the probability with F-value is below an alpha level of 0.05, then it is regarded as significant and the variable is considered in the final model. Table 4.8 in objective 3 already indicated that for external attribution F6 (uncontrollable external events) p-value=0.01536. Since p-value < 0.05, the null hypothesis is rejected at 5 percent level of significance with respect to F6. In addition, external failure attribution F7 (Low financial independence) p-value = (2.242e-07). Since p-value < 0.05, the null hypothesis is rejected at 5 per cent level of significance with respect to F7. In regard to internal failure attributions, p-value = 0.00160. Since p-value < 0.05, the null hypothesis is rejected at 5 % level of significance with respect to F1 (intentionality).

Affective networks p-value = (2.14e-07). Since p-value < 0.05, the null hypothesis is rejected at 0.05 per cent level of significance with respect to affective networks. On the

other hand, table 4.11 indicate that cognitive networks p-value = 0.001576. Since p-value < 0.05, the null hypothesis is rejected at 0.05 % level of significance with respect to cognitive networks. Thus, these results confirm the presence of relationship between the dependent variable (growth orientation) and the explanatory variables F6, F7, F1 failure attributions and entrepreneurial networks. This means that the regression model is well determined by these factors.

Table 4.11 shows the multiple correlation coefficient and measures the degree of relationship between the actual values and predicted values of micro-entrepreneurs' growth orientation. The model accuracy is assessed by examining the R-squared (R2) and Residual Standard Error (RSE). Multiple R squared increases with the number of independent variables so it is better to use the adjusted R squared. In this study, with the five predictor variables, the adjusted R2=0.552, meaning that 55 per cent represents the strength of the relationship between the model and the independent variables. This well explains the changes in micro-entrepreneurs' growth orientation.

Table 4.11: Coefficients of multiple regressions

	Estimate	**Std. Error**	**t-value**	**Pr (>|t|)**	**Sig**
(Intercept)	4.869800	0.195983	24.848	**<2e-16**	***
External FailAtt.F6	-0.029224	0.020177	-6.408	0.01617	*
External FailAtt.F7	0.56518	0.009682	5.837	4.35e-08	***
Internal FailAtt.F1	-0.069741	0.023074	-3.22	0.00305	**
Affective Ntwk mean	-0.53781	0.09502	-5.660	9.94e-08	***
Cognitive Ntwk means	0.45417	0.008771	4.726	3.24e-07	***

Signif. codes: [0,0.001] '***' [0.001,0.01] '**' [0.01,0.05] '*' [0.05,0.1] '.' [0.1,1] ' '

Residual standard error: 0.08894 on 140 degrees of freedom

Multiple R-squared: 0.5694, Adjusted R-squared: 0.552

F-statistic: 9.361 on **3** and **142** DF, p-value: 1.376e-07

The model explains 55.2% (adjusted R-squared) of the total variation in growth dependent variable.

The multiple regression equation is:

Growth orientation= $4.869-0.029Factor_6 +0.565Factor_7 -0.069Factor_1 -0.537_{Aff} +0.454_{Cog}$

The coefficient of Factor6 is -0.029 representing effect of external attributions (uncontrollable external factors) on growth orientation. The estimated negative sign implies micro-entrepreneurs' growth orientation would decrease by 0.029 for every unit increase in uncontrollable external events they make. The coefficient of Factor7 is 0.565 which represents effect on micro-entrepreneurs' growth orientation. The estimated positive sign implies micro-entrepreneurs' growth orientation would increase by 0.565 for every unit increase in attributing low financial independence for their failures. The coefficient for Factor1 is -0.069. The estimated negative sign implies micro-entrepreneurs' growth orientation would decrease by 0.069 for every unit increase in attributing failures on intentional actions. Affective networks coefficient as indicated in table 4.12 is -0.537. The estimated negative sign implies micro-entrepreneurs' growth orientation would decrease by 0.537 for every unit increase in affective networks. The coefficient of cognitive networks is 0.454. The estimated positive sign means micro-entrepreneurs' growth orientation would increase by 0.454 for every unit increase in cognitive networks.

Both qualitative and quantitative findings of this study indicated that affective networks are detrimental to micro-entrepreneurs' growth orientation. From the qualitative findings, it was established that immediately after failure, affective networks are actually very helpful and more so, necessary for continued survival of survival-focused micro-entrepreneurs. This is because they provide safety nets that allow micro-entrepreneurs pull around after failure. Without them, it is unlikely that survival-focused micro-entrepreneurs will recover from failure in the first place. However beyond this point, affective networks turn destructive. The quantitative study reinforced this finding and found that there exists a strong negative relationship between affective networks and micro-entrepreneurs growth orientation. This implies that as the number of affective networks increases, micro-entrepreneurs growth orientation decreases. These findings correspond to the study of Arregle et al. (2013) about the influence of family in business in Zimbabwe. Using a qualitative design with 37 entrepreneurs to identify the role of family networks in business performance. Their results revealed that family network are critical during business crisis. Not surprisingly, results from this study indicate that affective networks provide micro-entrepreneurs with the confidence to deal with failure

beyond which they turn destructive. Therefore, the presence of affective entrepreneurial networks would influence survival-focused micro-entrepreneurs attribute failures to external uncontrollable factors and internal factors within (intentionality) and this have a negative effect on micro-entrepreneurs' growth orientation. Both qualitative findings and quantitative findings in this study support argument.

In reference to cognitive networks, this study's qualitative findings are in line with the quantitative results. The qualitative findings revealed that learning from business failure is strongly determined (among other things) by the switch from affective to cognitive networks. Actually, this finding is contrary to Eggers & Song (2015) who recognized that firms apply previous experience to a new venture but emphasized that learning only occurs when same industry is maintained. The results from this study indicate that changes made by firms' in subsequent ventures could have impressive results on subsequent venture growth even when the industry is not maintained. In addition, the findings on cognitive networks demonstrate that besides economic roles, cognitive networks play psychological roles. They instill a sense of entrepreneurial confidence among survival-focused micro-entrepreneurs. It is only after interacting with cognitive networks that they exhibit high entrepreneurial confidence in themselves, get the courage to cope under tough conditions, learn from their past business failure, explore and start thinking of growing.

Thus, this study conquers with Barsade et al. (2015) who found that cognitive networks instill a sense confidence to survival-focused micro-entrepreneurs to grow. The quantitative study supports this finding and reveals that there exists a strong positive relationship between cognitive networks and micro-entrepreneurs growth orientation. This implies that as the number of cognitive networks increases, micro-entrepreneurs growth orientation increases.

Therefore, the presence of cognitive entrepreneurial networks would influence survival-focused micro-entrepreneurs attribute failures to specific external failure attribution (low financial independence) and this have a positive effect on micro-entrepreneurs growth orientation. Both qualitative findings and quantitative findings in this study support argument. This implies that financial aspect is a critical barrier to micro-entrepreneurs. As such, this requires micro-entrepreneurs to reflect and navigate on overcoming such

critical barriers in order to grow and develop. The implication of this finding is that attributions are motivated by psychological considerations and entrepreneurs are in a situation to handle critical external challenges when they reflect about their actions. Thus, for micro-entrepreneurs to overcome their challenges and grow, they need to avoid blaming themselves with the intention to move from survival status to growth orientation. Making external attributions provides them the confidence to move on. This finding is in support of past empirical research (KC, Staats and Gino, 2013) who investigated how individuals learn from their past mistakes and found that confidence plays a key role in the development of entrepreneurs and their ventures.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter presents the summary of the findings, conclusions, recommendations, areas for further research and limitation as per the four objectives of the study. In order to achieve this, the goal of this study was to investigate the role of entrepreneurial networks, examine the relationship of internal failure attributions on growth orientation of survival-focused micro-entrepreneurs in Kenya, specifically in the slums of Nairobi.

5.1 Summary of the Findings

The study carried out a profile of survival-focused micro-entrepreneurs in regard to gender, age, years in business, number of business operated,number of failure events and number of employees. The study found out that male participants were more involved in survival-micro-entrepreneurship as compared to females. In regard to age, the majority of participants were aged below 35 years. This implies that SFMEs have dominated the survival-focus type of businesses. On years in business, the study found out that majority of micro-entrepreneurs had been in business for a period of 3-5 years reflecting a higher survival rate of survival-focused micro-entrepreneurs having surpassed the third year survival mark in business. Majority of micro-entrepreneurs also operated their business operations on their own meaning that SFMEs are still in the growth transition phase and perform all the business related activities. Lastly, in regard to the number of failure events, majority of participants had experienced several failure events, between 2-4 failure events. The results imply that survival-focused micro-entrepreneurs experienced several failures in the course of their businesses. After each failure experience micro-entrepreneurs either start a different business or one that is almost similar with previous business.

In regard to objective one, the study found out that affective networks provided safety nets that enable micro-entrepreneurs bounce back to business after failure beyond which they turn destructive. This implies that affective networks are not bad per se, they are actually very helpful and more so, necessary for continued survival of survival-focused micro-entrepreneurs after business failure. However, these networks are detrimental at the point of SFMEs growth.

Objective two investigated the role of cognitive networks on growth orientation of survival-focused micro-entrepreneurs. The study found out that besides economic roles, cognitive networks also provides psychological support to SFMEs under conditions of uncertainty, specifically after failure. This implies failure was a critical episode that pulled micro-entrepreneurs out of a survival-focused mode. Failure acted as a catalyst to rethink network strategy and pushed SFMEs towards cognitive networks. Cognitive networks instilled a sense of entrepreneurial confidence among SFMEs. It is only after interacting with cognitive networks that they start thinking of growing.

Objective three examined the effect of internal failure attributions, external failure attributions and growth orientation of SFMEs. The study found out that external failure attributions (low finacial independence) increases micro-entrepreneurs' growth orientation. On the other hand, external failure attribution F6 (Uncontrollable external factors) and internal failure attributions, F1 (intentional actions) decreases micro-entrepreneurs growth orientation.

Objective four examined the relationship between entrepreneurial networks, failure attributions and growth orientation of survival-focused micro-entrepreneurs. The study found out that external attribution (uncontrollable external events-F6) reduces micro-entrepreneurs' growth orientation. Secondly, the study found out that external attribution (Low financial indepenedence-F7) increases micro-entrepreneurs' growth orientation. Third, the study found that internal failure attribution (intentional actions-F1) reduces micro-entrepreneurs' growth orientation. Fifth, the presence of cognitive networks increases growth orientation of SFMEs.

5.2 Conclusions of the study

The study concludes that men have more obligations to provide basic needs for their families as opposed to females. Considering that 70 % of SFMEs in the age range of 17-22 dominant and were growing, it is essential to encourage the unemployed young people below 35 years of age in this field. On the years in business, being that 54 % of SFMEs survived up until 3 years, the study concludes that even more survival rates of SFMEs could be increased by adding more incubation centers in the country. On the number of employees, since 85 % were founder managers the conclusion is that SFMEs have not realized that in order to fast track their growth, they need to employ the services of other

experts and avoid being jacks of all trades. Lastly, regarding the number of failure events, majority of participants (80%) had experienced several failure events, between 2-4 failure events. The study therefore concludes that failure was a critical event that pulled SFMEs from their comfort zones and rethink about moving from survival focus to growth orientation.

5.2.1 Conclusion for Objective One

From objective one, the study concludes that affective networks negatively affects micro-entrepreneurs' growth orientation. They are beneficial at beginning &immediately after failure but turn destructive at the point when micro-entrepreneurs want to transit from survival focus to growth orientation. Quantitative findings conforms to the qualitative results of this study and shows a strong negative relationship between affective networks and micro-entrepreneurs' growth orientation.

5.2.2 Conclusion for Objective Two

From objective two, the study concludes that cognitive networks positively affects micro-entrepreneurs' growth orientation. They give SFMEs entrepreneurial confidence to source for external financing, engage in economic rewarding partnerships and think of growing. Both qualitative and quantitative findings of this study revealed that cognitive networks play both economic and psychological roles among survival-focused micro-entrepreneurs.

5.2.3 Conclusion for Objective Three

From objective three, the study concludes that there exists a statistically significant negative relationship between internal failure attribution F1 (Intentionality) and micro-entrepreneurs' growth orientation. Therefore, the more SFMEs attribute their failures to intentionality, the less likely they are able to grow. In regard to external failure attribution (low financial independence), there exists a statistically significant positive relationship between external failure attribution F7 (low financial independence) and micro-entrepreneurs' growth orientation. Therefore, the more SFMEs attribute their failures to low financial independence, the more likely they are to grow. In regard to uncontrollable external factors, there exists a statistically significant negative relationship between external failure attribution F6 (uncontrollable external factors) and micro-entrepreneurs' growth orientation. Therefore, the more SFMEs attribute their failures to uncontrollable external factors, the less likely they are to grow.

5.2.4 Conclusion for Objective Four

From objective 4, relating more with affective networks leads micro-entrepreneurs to attributing failures to external uncontrollable failure, internal (intentionality) factors and uncontrollable external factors and this decreases SFMEs growth orientation of survival-focused micro-entrepreneurs. While relating more with cognitive networks leads micro-entrepreneurs to attributing failures to low financial independence and this in turn increases growth orientation.

5.3 Recommendations for the Study

From the conclusion of objective one, survival-focused micro-entrepreneurs should leverage on affective networks in the initial phases of their buisnesses and immediately after failure. However, they should dissciate from affective networs at the point of growth.

Based on the conclsuion of objective two, survival-focused micr-entrepreneurs should relate more with cognitive networks to learn from others experiences. Secondly, both government and non-governmental organizations should put in mechanisms that fosters cognitive network linkages. Third, to achieve Kenya vision 2030 of transforming the country into an industrialized middle-income nation the government of Kenya, non-governmental organization and other policy makers needs to put in place mechanisms to foster cognitive linkages. Succesful entrepreneurs should be linked to SFMEs through the incubation centres to share their entrepreneurial journey and success stories.

From the conclusion of objective three, mechanisms should be devised to address the external environment needs of SFMEs. For example, GOK collaborating with SFMEs to mitigate challenges affecting micro-entrepreneurs from informal settings. On the conclusion of objective four, there is need to identify local solutions in partnering with survival-focused micro-entrepreneurs in the informal settings like the slums. Furthermore, growth strategies should therefore account for challenges, needs and opportunities that are unique to SFMEs. Such measures would allow survival-focused micro-entrepreneurs graduate to growth orientation.

5.4 Limitations of the Study

As with any research, this research was not without certain limitations that will provide opportunities for future research. The first limitation of this study stays within the study context. This study is context specific. The focus was on poverty settings. However, the sample size that was used is sufficient and allowed the testing of unfolding insights on a much larger scale to increase representativeness and transfer this study to other different contexts. Second, quality was thought to be an issue with the qualitative section of the study. Flick (2009) explains the difficulty of choosing and clarifying concepts to use in qualitative research. To increase quality and reliability in the qualitative section of the study, the qualitative data set was supported by the quantitative data set. The exploratory and sequential design is the one in which (qualitative or quantitative) data is supported by the other data set (Fetters et al., 2013). In addition, to increase reliability of the qualitative data set, Computer Aided Qualitative Data Analysis (CAQDAS), Nvivo 10 was used.

5.5 Suggestions for Further Research

The results of this study suggest that survival-focused micro-entrepreneurs hold growth orientations. This study is therefore a pioneering attempt to adapt the concept of growth oriented survival-focused micro-entrepreneurs. Opportunities for further research are abundant. This study suggests the following future research directions:-

First, a study with both micro-entrepreneurs and network members to comprehensively investigate the relationship of these networks and micro-entrepreneurs' growth orientation is recommended.

Second, Similar studies should be conducted with other entrepreneurs in other settings and from a different background to establish whether different results could be achieved.

Third, further research could be undertaken to investigate the success attributions of micro-entrepreneurs from this background and other regions

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APPENDICES

Appendix I: Letter of Introduction

C/O Department of Business Administration
Maseno University
Private Bag
Maseno

Date_____

To Whom It May Concern

Dear Sir/Madam,

Academic Research

My name is Caroline Oloo. I am a student at Maseno University in pursuit of PhD in Business Administration course. As part of the requirement, I am undertaking a research entitled: *'The Role of Entrepreneurial Networks and Failure attributions on Growth Orientation of Survival-Focused Micro-Entrepreneurs in the slums of Nairobi'.* Your assistance is requested to answer questions provided in the attached questionnaires. Your name will not be used in the research. The information you provide will be treated confidentially and shall be applied for the purpose of this study only.

If you have any questions, you can contact me in person or using telephone number: 0722269128. You can also contact my academic supervisors: Dr. Nyangara and Dr. Okelo through Maseno University.

Yours Sincerely

Caroline Oloo
PhD/BE/011/2015
Maseno University

Appendix II: Follow up questions from the Narrative Interviews

A. General questions on entrepreneurial networks

1) Age_____
2) When did you decide to venture into business? How did that come about? _____
3) When reflecting back, which individuals or organizations have been significant to your business/initiatives at which point in time? _____
4) Please tell me more about these individuals and how they are important to you and your business_____
5) What particular events/challenges that have occurred in the course of your business?

   _____
6) Which of these events did you overcome with the help of networks and which ones did you overcome without networks? _____
7) How did you overcome these challenges at different points in time?_____
8) What have been the factors that have enhanced the progress of your business and the people you associate with in your business? _____
9) Apart from networks, which other factors played a role either positive or negative role in your plans of progressing your business? _____
10) Who have been the most valuable networks to you and your business? Which ones have been the least valuable networks? Why is this the case? _____

B. Affective networks

1) How many are your family and friends involved in your business? _____
2) Why do you continue to involve your family and friends in the operations of your business? _____
3) Please tell me more about the kind of help you have received from family and friends._____
4) Which resource needs did you overcome with the help of family and friends?
5) How have your family and friends related to you and your business performance at different points in time? _____
6) What would you say are the benefits or disadvantages of involving your family and friends in your business? _____
7) In your own opinion, what internal role do family and friends have in your plans to growing your business? _____
8) In your own opinion, what external role do family and friends have in your plans to growing your business? _____
9) In your own opinion, what value do you attach to family and friends in your growth plans? _____
10) How important are your family and friends in your business?_____

C. Cognitive networks

1) What type of help have you received from your business peers or other organizations when you started your business or in the course of your business?_____
2) How have you involved your business peers and related organizations in your business? _____
3) What business support structures have you received in your business?_____
4) If yes, how did you get to know of these support structures? _____
5) Which resources needs did you overcome with the help of business peers or other organizations? _____

6) How has your business peers related to you and your business performance at different points in time? _____
7) How did you develop a relationship with your business peers and other organizations? _____
8) How do you maintain a relationship with your business peers and other organizations? _____
9) Why do you maintain a relationship with your business peers and other organizations? _____
10) In your own opinion, what value do you attach to business peers and other related organizations in your growth plans? _____

D. Growth Orientation

1) What plans are you making for growing your business?_____
2) What would you say are your future growth plans? _____
3) What kind of risks have you taken in your business? _____
4) Why do you take these risks?_____
5) How to you deal with these risks? _____
6) How would you describe your experience in planning to grow your business and specifically with the challenges you are experiencing? _____
7) What plans are you making to seek finance for your business? _____
8) How are you marketing yourself and your business in order to move from your current business status?_____
9) What plans are you making in marketing to a new different market? _____
10) What would you advise other micro-entrepreneurs who purpose to build their ventures despite the challenges they are facing? _____

Appendix III: Qualitative Analysis Code Book Nvivo 10

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CODE BOOK FOR THE ROLE OF ENTREPRENEURIAL NETWORKS ON GROWTH ORIENTATION OF SFMEs

Name	Description	Created By Username	Number Of Sources Coded
1. Access financial inclined support through family and close friends	Micro-entrepreneurs access starting capital and operating finances from family and friends	Caroline	20
10. Passive upward social comparison with business entrepreneurial networks	Micro-entrepreneurs question why they cannot also be like their successful peers They also realize similarities in the kind of challenges they and	Caroline	20
11. Partner in non-core business activities	Micro-entrepreneurs seek guidance from friends & peers exceling in business They also sell business items on behalf of successful peers	Caroline	20
12. Partner in core business activities	Micro-entrepreneurs share business resources with peers who are successful in business They also actually partner with business peers	Caroline	20
13. Widen focus beyond survival	Micro-entrepreneurs understand the need for continual self- improvement They also understand the importance of responding to changing business	Caroline	20
14. Learning oriented short term business strategies	Micro-entrepreneurs operate a small business on the side with an aim of elevating the main business They personally reach out to clients wherever they are	Caroline	20
15. Active upward social comparison with business networks and self- evaluation	Micro-entrepreneurs evaluate own weaknesses & peer's strengths as compared to themselves They blame self for contributing to failure in the first business	Caroline	20

16. Thoughts of business expansion and personal recognition	Micro-entrepreneurs think of starting more business branches regionally & abroad They also have the urge for personal business visibility	Caroline	20

Name	Description	Created By Username	Number Of Sources Coded
17. Growing realization of individual business potential	Micro-entrepreneurs realize they can grow by taking risks Micro-entrepreneurs realize they can independently take charge of their business activities	Caroline	20
18. Primary long term growth strategies	Micro-entrepreneurs started to operate in physical structures as opposed to hawking their goods. They strategically positioned themselves to be	Caroline	20
19. Passive mentorship initiatives	Micro-entrepreneurs feel the need to nurture others from similar backgrounds Micro-entrepreneurs Plan on ways to support young	Caroline	20
2. Access business management options after business failure through family & close friends	Micro-entrepreneurs use family and friends as source of clients and as an avenue to access other clients. Depend on family and close friends for	Caroline	20
20. Mentorship accompanied with sponsorship	Micro-entrepreneurs actually mentor aspiring business minded others They also Financially support upcoming micro-entrepreneurs	Caroline	19
3. Fear of taking new business initiative without family and friends involvement	Micro-entrepreneurs engage in business similar to previous failed one and Make business decisions after consultation with family and	Caroline	20
4. Attribute cause of first business failure to external factors	Micro-entrepreneurs, blame poor location and lack of clients for business failure and blame lack of capital and operating finances for business	Caroline	20

5. Unsustainable strategies of attracting clients	Micro-entrepreneurs target clients bringing high sales but for a short period of time and sell items on credit to increase clients who end up failing to pay	Caroline	20

Name	Description	Created By Username	Number Of Sources Coded
6. Unsustainable business operations strategies	Micro-entrepreneurs move to a different location in the second business with the hope that the business will improve and manage the business through proxy outcome for the business. They also charge family and friends with core business activities	Caroline	20
7. Realize significance of cognitive networks	Miicro-entrepreneurs attribute lack of good contacts as a second factor for failure in first business. Thye also envy successful peers they still don't have any relationship with.	Caroline	20
8. Place less focus on affective networks	Micro-entrepreneurs stop involving family & friends in business core activities and stopped borrowing money from family.	Caroline	20
9. Display feelings of commitment towards the business and self	Micro-entrepreneurs feel need to change business status, it is all they depend on They Feel need to change current business location and they Individually get involved in selecting customers	Caroline	20
ASSOCIATION WITH COGNITIVE NETWORKS	SFME partnered with business peers	Caroline	0
DEFENSIVE SHORT TERM	Micro-entrepreneurs enact	Caroline	0

BUSINESS STRATEGIES IMPLEMENTATION	defensive strategies. They opt for near-sighted family engineered solutions to quickly come out of business failure. During this period, micro-entrepreneurs become short sighted in their entrepreneurial thinking as a result of the presence of family and friends that provide a sense of comfort to the micro-entrepreneurs.	

Name	Description	Created By Username	Number Of Sources Coded
DESIRE TO MOVE BEYOND SURVIVAL-FOCUS INSPIRED	Gaining a sense of confidence, micro-entrepreneurs believe they can also make it in business just like their successful peers. They already saw how their peers who possessed cognitive networks rise from small beginnings and are exceling. They even realize some of the successful micro-entrepreneurs did not even receive any entrepreneurial classroom training and are still outsmarting them.	Caroline	0
DISSOCIATION FROM AFFECTIVE NETWORKS	Micro-entrepreneurs distanced themselves from affective networks with the expectation to succeed in business. They recognize that despite possessing affective networks they still experience business failures.	Caroline	0
HIGH ENTREPRENEURIAL SELF CONFIDENCE INSTILLED & ATTRIBUTE FAILURE TO INTERNAL FACTORS	Micro-entrepreneurs as a result of associating with cognitive networks start harboring feeling of high self confidence.Micro-entrepreneurs did not hold any	Caroline	0
LACK CONFIDENCE IN AFFECTIVE NETWORKS	Micro-entrepreneurs focused less on affective networks, they stopped involving family and close friends in business core activities with main aim	Caroline	0

MOTIVATION TO INSPIRE OTHER ASPIRING ENTREPRENEURS	Micro-entrepreneurs are motivated to inspire other young upcoming entrepreneurs. They do this to prove to themselves that they can also make a difference by positively impacting on others. Micro-entrepreneurs from this study comes from humble backgrounds and as a result want to mentor and financially support aspiring entrepreneurs from similar backgrounds.	Caroline	0

Name	Description	Created By Username	Number Of Sources Coded
RELIANCE ON AFFECTIVE NETWORKS FOR PROVISION OF BUSINESS RESOURCES	Due to lack of self-confidence after first business failure,micro-entrepreneurs lack confidence to seek for external business finance but instead rely on affective networks for finance. At this point they also lack external financial networks to seek for	Caroline	0
SOURCE OF SELF-CONFIDENCE IN THE SHORT TERM & ATTRIBUTE FAILURE TO EXTERNAL FACTORS	Immediately after business failure, micro-entrepreneurs think lowly of themselves. They feel entrepreneurially incapable; they lose belief in self and instead rely more on affective networks in business. Affective networks provide act as safety nets to allow micro-entrepreneurs bounce back in business but only for a short period of time.	Caroline	0
STRONGER LEARNING ORIENTATION INCULCATED	Micro-entrepreneurs also develop stronger learning orientation as a result of experiencing failure which was is a key motivation to succeeding in their businesses. The failures micro-	Caroline	0

Appendix IV: Coding Summary by node

Coding Summary By Node_SFMEs quotes

Entrepreneurial Networks and Failure Attributions

2/4/2019 3:16 PM

Aggregate	Classification	Coverage	Number Of Coding References	Reference Number	Coded By Initials	Modified On

Node

Nodes\\ASSOCIATION WITH COGNITIVE NETWORKS\11. Partner in non-core business activities

Document

Internals\\Interviews\\SFME 1

No		0.0165	1			
				1	CO	1/24/2019 4:40 PM

He has been my motivation. It is through him that I have learnt a lot of things. He has been my mentor, It was a blessing that I met him at that cyber café-Norwich. I still consult him in critical business issues, we are like visual partner, he is a true mentor and business friend. (11)

Internals\\Interviews\\SFME 10

No		0.0083	1			
				1	CO	1/27/2019 12:07 PM

The suit was going at Ksh 5000 but I sold it at Ksh 7000. I made good profit, at times I could sell stock on behalf of my colleague (11)

Internals\\Interviews\\SFME 11

No		0.0148	2			
				1	CO	1/27/2019 11:36 AM

I was trained on social media debate, trainer of trainees, Human right approach. During this period, is when I started doing my business. I came across this lady who was selling Duvets. I told her that I could market the Duvets through social media (11).

				2	CO	1/27/2019 11:53 AM

I am trying to think through the kind of ideas that would be viable; I look for different ideas from other like minded people so I can be able to start testing them (11).

Internals\\Interviews\\SFME 12

No		0.0049	1			
				1	CO	1/27/2019 3:27 PM

He has always been instrumental to me . He gives me advise on my decisions, he is very successful (11)

Appendix V: Questionnaires on Failure attributions, entrepreneurial networks and Growth

A. General questions on business failure

1) Have you ever owned a business prior to this one?
    a. Yes
    b. No

2) How many businesses have you owned prior to your current one?
    a. Zero
    b. 1
    c. 2
    d. 3
    e. 4
    f. 5 and above

3) What is the performance/status of your business?
    a. Growing
    b. Stagnating

4) How long have you been in business?
    a. 1 year and below
    b. 2-5 years
    c. 5 years and above

5) Have you ever experienced any failure event in the course of your business?
    a. Yes
    b. No

B. Internal Failure Attributions

Please select the answer that most correlates to your opinion about each statement

Statement	Strongly Disagree	Disagree	Agree	Strongly Agree	Neither
1.Past Failure reason is me	1	2	3	4	5
2.I question my entrepreneurial skills	1	2	3	4	5
3.I failed to win	1	2	3	4	5
4.I made nil growth efforts	1	2	3	4	5
5.I was less careful and failed	1	2	3	4	5
6.Failed to learn from failures	1	2	3	4	5
7.Failure to secure clients is my lack of effort	1	2	3	4	5
8.Failures depend on me	1	2	3	4	5
9.I have control over failures	1	2	3	4	5
10.I am confident to blame self when I fail	1	2	3	4	5
11.I can change my failure situation over time	1	2	3	4	5
12.I feel less motivated when I fail	1	2	3	4	5
13.I was less prepared at the start of business	1	2	3	4	5
14.I made mistakes that led to business failures	1	2	3	4	5
15.I made nill adoption to competition	1	2	3	4	5
16.I failed to learn business tricks	1	2	3	4	5
17.I Lacked business experience	1	2	3	4	5
18.I lacked business strategies	1	2	3	4	5
19.I paid less attention to business	1	2	3	4	5
20.I made zero efforts to network with peers	1	2	3	4	5
21.I lack ability to manage business	1	2	3	4	5
22.I lack entrepreneurial interest	1	2	3	4	5
23.My moods led to my failures	1	2	3	4	5
24.I lacked need to grow at that time	1	2	3	4	5
25.Thought it was unnecessary to grow	1	2	3	4	5
26.I failed to take business seriously	1	2	3	4	5
27.My absenteeism led to my failures	1	2	3	4	5
28.I Feared failing	1	2	3	4	5
29.I didn't know how to grow	1	2	3	4	5
30. I didn't like the business I did	1	2	3	4	5
31.I lack entrepreneurial understanding	1	2	3	4	5
32.I am incapable	1	2	3	4	5
33.I feel helpless when I fail	1	2	3	4	5

34.I get discouraged when I fail	1	2	3	4	5
35.I get disoriented when I fail	1	2	3	4	5
36.I feel incapacitated when I fail	1	2	3	4	5
37.When I fail there is little I can do	1	2	3	4	5
38.I lack intrinsic motivation to continue when I fail	1	2	3	4	5
39.My intelligence is questionable	1	2	3	4	5
40.I lack concentration	1	2	3	4	5

B. External Failure Attributions

Statement	Strongly Disagree	Disagree	Agree	Strongly agree	Neither
1.I question others for my failures	1	2	3	4	5
2. I lack entrepreneurial peers	1	2	3	4	5
3.I blame lack of supplies for failures	1	2	3	4	5
4.I blame lack of finances for my failures	1	2	3	4	5
5.I lack clients	1	2	3	4	5
6.I blame high competition	1	2	3	4	5
7.My failures are due to others destruction	1	2	3	4	5
8.I don't like my clients	1	2	3	4	5
9.I lack support from the county government	1	2	3	4	5
10.My failure were influenced by bad attitude of others	1	2	3	4	5
11.Hard buss tasks impairs my performance	1	2	3	4	5
12.My losses are due to un-conducive environment	1	2	3	4	5
13.My losses are due to bad luck	1	2	3	4	5
14.Poor direction of my loses is due to wrong advice	1	2	3	4	5
15.My Buss failure are influenced by others	1	2	3	4	5
16. My failure were due to other people destruction	1	2	3	4	5
17.I fail coz of high taxes	1	2	3	4	5
18. Bad debts	1	2	3	4	5
19.Buss is usually broken into thus I can't grow	1	2	3	4	5
20.Bussiness location is not viable	1	2	3	4	5
21.Entrepreneurial tasks are intense	1	2	3	4	5
22.Peers affect me negatively	1	2	3	4	5
23. The training I received was not effective	1	2	3	4	5
24. Dealing with clients is boring	1	2	3	4	5

25. I lack time in business	1	2	3	4	5
26.No matter how hard I try, I can't compete with peers	1	2	3	4	5
27.Unconducive weather conditions	1	2	3	4	5
28.I get wrong advice from others	1	2	3	4	5
29.I lack technological expertise	1	2	3	4	5
30. My clients are demanding	1	2	3	4	5
31. I am socially destructed	1	2	3	4	5
32.Peers and clients sabotage me	1	2	3	4	5
33. Poor client management	1	2	3	4	5
34. Peers failed to recognize my efforts	1	2	3	4	5
35.My partners mistakes led to my failures	1	2	3	4	5
36. Failure to receive feedback from clients led to my failures	1	2	3	4	5
37. Unfavorable situations led to my failures	1	2	3	4	5
38. Clients' anger caused my failures	1	2	3	4	5
39. Irregular clients	1	2	3	4	5
40. Ineffective training	1	2	3	4	5

C. Affective Networks

Statement	Strongly Disagree	Disagree	Agree	Strongly Agree	Neither
1.I involve my family and friends in daily business operations	1	2	3	4	5
2.I receive financial help from my family and friends	1	2	3	4	5
3.I receive business related advice from family and friends	1	2	3	4	5
4.When I fail , I ran to family and friends	1	2	3	4	5
5.I gain more when I involve family and friends in buss	1	2	3	4	5
6.I employ family and friends in buss	1	2	3	4	5
7.I receive growth options from family and friends	1	2	3	4	5
8.Family and friends are my only clients	1	2	3	4	5
9.Family and friends make me excel in business	1	2	3	4	5
10.I am growing in business coz of family and friends	1	2	3	4	5
11.I can change my failure situation over time	1	2	3	4	5
12.I opt for capital from family and friends	1	2	3	4	5
13.I was less prepared at the start of business	1	2	3	4	5
14.I get new market and product ideas from family and friends	1	2	3	4	5
15.Family and friends improves my management skills	1	2	3	4	5
16.My current business was influenced by family and friends	1	2	3	4	5
17.I make business decisions after consultation with family and friends	1	2	3	4	5
18.Family and friends changed the way I organize my work	1	2	3	4	5
19.Family & friends increased my business credibility	1	2	3	4	5
20.I gain business secret through Family & friends	1	2	3	4	5
21. Family & friends increased my understanding of my potential in business	1	2	3	4	5
22. Family & friends improved my interaction with my competitors	1	2	3	4	5

23. I discuss business problems with F& F	1	2	3	4	5
24.I accepted to partner with F& F	1	2	3	4	5
25.F& F help me to strategically position my business in market	1	2	3	4	5
26.I receive knowledge on how to grow from family & friends	1	2	3	4	5
27.Family and friends have assisted me deal with failure	1	2	3	4	5
28.Family and friends have assisted me deal with failure faster	1	2	3	4	5
29.Family and friends have assisted me identify business opportunities	1	2	3	4	5
30. Family and friends have helped me devise growth plans	1	2	3	4	5
31.I receive technical help from F& F	1	2	3	4	5
32. F and F help me get external funding	1	2	3	4	5
33.Family & Friends make me feel am a person of worth after failure	1	2	3	4	5
34.Family and friends make me feel I still have some buss qualities after failure	1	2	3	4	5
35.Family & Friends enable me cope with business after failure	1	2	3	4	5
36.Family & Friends helped me realize myself in business	1	2	3	4	5
37.Family and friends help me deal with fear after failure	1	2	3	4	5
38.Family & Friend encourage me to get on my feet after failure	1	2	3	4	5
39.Family and friends gave me the confidence to start another business after failure	1	2	3	4	5
40.Family and friends gave me hope after failure	1	2	3	4	5

D. Cognitive Networks

Statement	Strongly Disagree	Disagree	Agree	Strongly Agree	Neither
1.I gain more when I engage successful peers in my business	1	2	3	4	5
2.Succesful peers are my role models	1	2	3	4	5
3.My plans before making business decisions are influenced by business peers	1	2	3	4	5
4. Business peers taught me how to control my failures	1	2	3	4	5
5.I have learnt to try & fail than not to try at all from my business peers	1	2	3	4	5

6.My plans for expanding my business are influenced by my peers	1	2	3	4	5
7.I learn from my business peers the need to change as the environment changes	1	2	3	4	5
8. I learnt from my business peers the need to attend business trainings	1	2	3	4	5
9.I learnt from my business peers key business secrets	1	2	3	4	5
10.I can access reliable clients through business peers	1	2	3	4	5
11.I access markets with ease through connection of business peers	1	2	3	4	5
12.I think of opening branches in other areas coz of buss peers	1	2	3	4	5
13.I feel the urge to be recognized in business like my business peers	1	2	3	4	5
14.I realize I can grow by taking risks like successful peers	1	2	3	4	5
15.I can take charge of my business after relating frequently with successful peers	1	2	3	4	5
16.I operate in permanent structures courtesy of my business peers	1	2	3	4	5
17.I place myself in good business position coz of my business peers	1	2	3	4	5
18.I feel the need to nurture other coz I was also nurtured by my peers	1	2	3	4	5
19.I receive business advice from buss peers	1	2	3	4	5
20.Business peers influence me to mentor others	1	2	3	4	5
21.I partner with successful business peers	1	2	3	4	5
22.I seek external business finance with the help of business peers	1	2	3	4	5
23.Bussiness peers give me business referrals	1	2	3	4	5
24.My business peers are my motivators	1	2	3	4	5
25.My growth potential has improved through peers	1	2	3	4	5
26.I improved my products coz of my business peers	1	2	3	4	5
27.I receive funding options from peers	1	2	3	4	5
28.I receive information on growth options from business peers	1	2	3	4	5
29.Succesful peers have helped me solve business problems	1	2	3	4	5

30. I have accessed external consultants through business peers	1	2	3	4	5
31.I learnt how to keep long term relations with clients through business peers	1	2	3	4	5
32.I get innovative ideas from business peers	1	2	3	4	5
33.Business peers changed the way I deal with clients	1	2	3	4	5
34.I have learnt to survive in this market through business peers	1	2	3	4	5
35.I take failure as a learning opportunity after comparing myself with buss peers	1	2	3	4	5
36.Business peers are instrumental to my business	1	2	3	4	5
37.I can cope under tough conditions coz of business peers	1	2	3	4	5
38.Business peers influenced me to try different business types	1	2	3	4	5
39.Business peers encouraged me to partner with others	1	2	3	4	5
40. I learn how to avoid frequent failures from business peers	1	2	3	4	5

E. Growth Orientation

Statement	Strongly Disagree	Disagree	Agree	Strongly agree	Neither
1. Plan to expand to new market	1	2	3	4	5
2. Plan to introduce a new product	1	2	3	4	5
3.Plan to expand operating space	1	2	3	4	5
4.Plan to sell to new markets	1	2	3	4	5
5.Plan to sell to different markets	1	2	3	4	5
6.Plan to enlarge my clients	1	2	3	4	5
7.Plan to employ in the future	1	2	3	4	5
8. Plan to research new clients	1	2	3	4	
9.Plan to increase the number of business activities I deal in	1	2	3	4	5
10. Plan to seek bank loan	1	2	3	4	5
11. Plan to source for business grant	1	2	3	4	5
12. Plan to source finance from the county government	1	2	3	4	5

13. Plan to search for reliable clients in the long term	1	2	3	4	5
14.Plan to partner with successful peers in the market	1	2	3	4	5
15. Plan to seek business advice from my successful peers	1	2	3	4	5
16. Plan to seek professional advice from peers	1	2	3	4	5
17. I continually seek new opportunities	1	2	3	4	5
18. I usually get feedback from my clients on my performance	1	2	3	4	5
19. I am prepared to take my business to a higher growth level	1	2	3	4	5
20.Plan to seek business related training	1	2	3	4	5
21.I plan to advertise my products and services online	1	2	3	4	5
22. Plan to advertise my products and services through my peers, friends and clients	1	2	3	4	5
23.I plan to change my business layout	1	2	3	4	5
24. I am creative in business	1	2	3	4	5
25. I research on the needs on my clients	1	2	3	4	5
26. I plan to computerize my operations	1	2	3	4	5
27. I plan to search for ways of improving my customer management	1	2	3	4	5
28. I plan to change the way my business looks	1	2	3	4	5
29. I prefer less risk business activities with low returns	1	2	3	4	5
30. I prefer high risk business activities with high returns	1	2	3	4	5
31.I prefer doing business activities am familiar with	1	2	3	4	5
32.I prefer doing business activities that I have no experience in	1	2	3	4	5
33. I am comfortable partnering with someone I have little knowledge of	1	2	3	4	5
34. I Involve in business activities of which am not sure of the benefits I will get or even the costs I might incur	1	2	3	4	5
35. I Involve on new activities requiring me to change in one way or another	1	2	3	4	5
36. I Involve in new activities that requires me to learn new skills and knowledge	1	2	3	4	5

Appendix VI: Executable Attributes of Planned Growth (EAPG): The Dependent Variable, Growth Orientation

Introduction of new product Introduction of new service Expanding current facilities Adding operating space Selling to a new market	Expansion Plans
Searching of new business opportunities Seeking external funding Seeking professional entrepreneurial advice from successful peers Seeking new and reliable clientele	Pro-activeness
Adding another business on the side Trying new and different business Venturing into a totally new market	Risk-taking propensity
Computerize current operations Employing workers with expertise Operating in a stationary location Acquiring new equipment Advertise and promote products and services Attending entrepreneurial trainings Researching on methods of improving operations	Innovativeness

Appendix VII: Ethical approval from Maseno University Ethical Review Committee

MASENO UNIVERSITY ETHICS REVIEW COMMITTEE

Tel: +254 057 351 622 Ext: 3050
Fax: +254 057 351 221

Private Bag – 40105, Maseno, Kenya
Email: muerc-secretariate@maseno.ac.ke

FROM: Secretary - MUERC

DATE: 20th December, 2018

TO: Caroline Adongo Oloo
PG/PHD/BE/00011/2015
Department of Business Administration
School of Business and Economics
Maseno University
P. O. Box, Private Bag, Maseno, Kenya

REF: MSU/DRPI/MUERC/00627/18

RE: Influence of Entrepreneurial Networks and Failure Attributions on Growth Orientation of Survival-Focused Micro-Entrepreneurs in the Slums of Nairobi, Kenya. Proposal Reference Number MSU/DRPI/MUERC/00627/18

This is to inform you that the Maseno University Ethics Review Committee (MUERC) determined that the ethics issues raised at the initial review were adequately addressed in the revised proposal. Consequently, the study is granted approval for implementation effective this 20th day of December, 2018 for a period of one (1) year.

Please note that authorization to conduct this study will automatically expire on 19th December, 2019. If you plan to continue with the study beyond this date, please submit an application for continuation approval to the MUERC Secretariat by 15th November, 2019.

Approval for continuation of the study will be subject to successful submission of an annual progress report that is to reach the MUERC Secretariat by 15th November, 2019.

Please note that any unanticipated problems resulting from the conduct of this study must be reported to MUERC. You are required to submit any proposed changes to this study to MUERC for review and approval prior to initiation. Please advice MUERC when the study is completed or discontinued.

Thank you.

MASENO UNIVERSITY SECRETARY ETHICS REVIEW COMMITTEE

Dr. Bernard Guyah
Ag. Secretary,
Maseno University Ethics Review Committee

Cc: Chairman,
Maseno University Ethics Review Committee.

Appendix VIII: Proportion of variance for internal failure attributions

Variables/Factors	MR1	MR11	MR3	MR4	MR5	MR7	MR2	MR8	MR6	MR10	MR9	MR12
FAILURE.REASON.IS.ME..NEG.	-0.12	0.01	-0.08	-0.12	-0.03	0.12	-0.04	-0.1	0.2	0.19	-0.12	-0.02
QTN.ENT.SKILLS..NEG	0.17	0	0.26	-0.25	0.18	0.08	0.06	-0.11	0.24	0.15	0.01	**0.45**
FAILING.TO.WIN..NEG.	-0.02	0.01	0.01	-0.03	-0.04	0.01	0	0.05	0.04	-0.9	0.02	0.01
NIL.GROWTH.EFFORTS..NEG.	-0.02	-0.03	**0.93**	0.03	-0.05	0	0.05	0.06	0.06	0	0.07	-0.03
LESS.CAREFUL.AND.FAILED..NEG.	-0.04	0.1	-0.05	0.14	**0.7**	-0.03	0.18	0.14	0.1	0.02	-0.04	-0.04
FAILED.TO.LEARN.FRM.FAILURES..NEG.	0.18	**0.79**	0.01	-0.05	0.1	0.12	0.03	-0.04	-0.02	0.01	-0.09	-0.06
FAILURE.TO.SECURE.CLIENTS.IS.MY.LACK.OF.EFFORT.NEG.	0.03	-0.07	-0.33	-0.01	0.14	-0.08	-0.3	0.25	-0.2	-0.02	-0.12	0.2
FAILURES.DEPEND.ON.ME.NEG.	0.12	-0.2	0.08	-0.12	-0.08	0.05	-0.07	-0.09	-0.15	0.02	-0.13	-0.12
I.HAVE.CONTROL.OVER.FAILURE.EVENTS..NEG.	0.15	-0.09	0.12	**0.58**	0.1	-0.01	-0.02	-0.09	-0.21	-0.03	0.02	0.13
CONFIDENT.TO.BLAME.SELF..NEG.	0	0.01	-0.03	0.01	0.01	**0.77**	-0.03	0.05	-0.03	-0.1	0.12	0.01
I.CAN.CHANGE.MY.FAILURE.SITUATION.OVER.TIME..NEG.	0.06	0.09	0.07	**0.37**	0.04	0.07	0.08	-0.09	0.18	-0.15	-0.16	-0.1
LESS.MOTIVATION.WHEN.I.FAILED.PREVIOUSLY..NEG.	-0.06	0.03	-0.02	-0.02	**0.91**	-0.05	-0.07	-0.03	-0.05	0.03	0.05	0.02
LESS.PREPARED.AT.THE.START.OF.THE.BUSS.NEG.	-0.06	0.1	**0.85**	0.04	0.02	-0.07	-0.08	-0.01	-0.09	-0.03	-0.07	0.05
MADE.MISTAKES.LED.TO.BUSS.CHALLENGES..NEG.	-0.05	-0.26	0.08	0.02	0	0.08	0.11	-0.04	**0.46**	-0.04	0.1	-0.05
NILL.ADOPTION.TO.COMPETITION..NEG.	0.17	**0.83**	0.04	-0.05	0.04	0.06	0.05	-0.01	0.01	-0.01	0.01	-0.01
FAILED.TO.LEARN.BUSINESS.TRICKS..NEG.	-0.13	0.13	-0.06	0.07	-0.11	**0.78**	-0.05	0.04	0.01	0.07	-0.01	0.04
FAILED.DUE.TO.LACK.EXPERIENCE..NEG.	0.24	0.05	0.07	-0.07	0	0.25	0.16	-0.26	0	0.04	-0.03	-0.06
FAILED.DUE.TO.LACK.OF.BUSS.STRATEGIES..NEG.	0.11	-0.15	0.05	**0.76**	0.04	0.08	0.07	-0.08	0.03	0.08	-0.02	-0.03
LESS.ATTENTION.PAID.TO.BUSS.LED.TO.FAILURE..NEG.	-0.04	0	-0.15	0.03	0.01	0.04	0.29	-0.15	**0.4**	-0.06	-0.21	0.19
PREVIOUS.ZERO.EFFORTS.TO.NETWORK.WITH.PEERS.NEG.	-0.15	-0.08	-0.05	0.19	0.03	0.06	0.17	0.03	-0.55	0.19	-0.03	-0.04
LACK.ABILITY.TO.MANAGE.BUSS.NEG.	-0.08	-0.16	-0.05	0.17	-0.07	0.09	0.06	-0.15	-0.04	-0.25	-0.01	**0.52**
LACK.ENT.INTEREST..NEG.	**0.86**	0.14	-0.01	0	-0.01	0.02	0.03	0	-0.11	-0.03	-0.07	0.01
BAD.MOOD.NEG.	0.09	-0.09	0.11	-0.2	0.17	0.11	0.09	0.05	-0.13	0.05	0.22	0.13
LACK.NEED.AT.THAT.TIME..NEG.	0.27	-0.18	0.06	-0.41	0.11	0.08	-0.04	-0.07	-0.04	0.14	-0.08	-0.07
THOUGHT.IT.WAS.UNECESSARY.TO.GROW.NEG.	**0.89**	0.08	-0.06	0.08	-0.03	-0.04	-0.04	0.1	0.04	0.04	0.06	0.05
FAILED.TO.TAKE.BUSS.SERIOUSLY..NEG.	0.09	0.13	-0.07	0.1	-0.13	-0.16	-0.07	0.23	**0.36**	0.1	0.18	0.21

Variables/Factors	MR1	MR11	MR3	MR4	MR5	MR7	MR2	MR8	MR6	MR10	MR9	MR12
MY.ABSENTISM.FROM.BUSS..NEG.	-0.03	-0.15	-0.09	0.22	0.15	-0.15	-0.18	-0.16	0.06	-0.18	0.05	-0.01
FEAR.OF.FAILING..NEG.	0.12	-0.19	0.1	-0.13	-0.16	0.02	0.17	0	-0.32	0.11	-0.23	0.16
DIDN.T.KNOW.HOW.TO.GROW.NEG.	-0.09	**0.58**	0.08	-0.07	0.01	-0.03	-0.12	-0.16	0.04	0.09	0.1	0.01
I.DIDN.T.LIKE.WHAT.I.DID..NEG.	0.18	-0.2	-0.2	-0.2	0.09	-0.04	0.17	-0.28	-0.01	0.05	**0.39**	0.05
LACK.OF.ENT.UNDERSTANDING..NEG.	-0.1	0.03	-0.1	0.14	-0.06	-0.17	0.18	0.19	-0.13	0.17	0.24	**0.37**
WHEN.I.FAIL.IS.COZ.AM.INCAPABLE	-0.12	0.02	-0.02	-0.03	0.03	-0.07	**0.36**	-0.12	-0.12	-0.21	0.16	-0.19
I.FEEL.HELPLESS.WHEN.I.FAIL	-0.27	0.15	-0.03	0.05	-0.14	-0.18	0.08	-0.04	-0.14	0.08	0.11	0.06
I.GET.DISCOURAGED.WHEN.I.FAIL	-0.19	-0.09	0.21	-0.15	0	-0.1	-0.01	0.13	-0.09	0.2	-0.04	0.21
WHEN.I.FAIL.I.GET.DISORIENTED	**0.75**	0.04	-0.02	0.03	-0.08	-0.1	0.07	-0.03	0.13	0.05	0.04	-0.1
I.FEEL.INCAPACITATED..WHEN.I.FAIL	0	0.05	0	-0.02	-0.07	0.06	-0.58	-0.17	-0.06	0.04	0.13	-0.14
WHEN.I.FAIL..I.THINK.THERE.IS.LITTLE.I.CAN.DO	-0.06	-0.12	0.01	-0.08	-0.02	0.11	-0.65	-0.06	0.1	-0.07	-0.06	0
I.LACK.INTRINSIC.MOTIVATION.TO.CONTINUE.	0.17	-0.07	0.06	-0.13	0.04	0.06	0.08	**0.61**	-0.02	-0.07	0.04	0.01
MY.ENT.INTELIGENCE.IS.QUESTIONABLE	-0.1	0.14	-0.18	0.01	-0.01	-0.05	0.05	**0.3**	0.17	**0.37**	-0.01	-0.1
MY.FAILURE.IS.DUE.LACK.OF.CONCENTRATION	0.01	-0.01	0.06	0.01	0.04	0.13	-0.03	0.01	0.02	-0.05	**0.74**	0
HIGH.ANXIETY.LED.TO.MY.FAILURES	0.11	-0.34	0.04	0.14	0.07	0.01	-0.14	-0.04	**0.37**	0.06	-0.07	-0.11
LACK.INBORN.ABILTY.OF.DEALING.WITH.FAILURE	0.06	-0.19	0.12	-0.12	0.09	0.07	0.1	**0.62**	-0.04	-0.02	-0.05	-0.11

Appendix IX: Proportion of variance for external failure attributions

Variables/Factors	MR2	MR3	MR7	MR5	MR1	MR4	MR6	MR9	MR8	MR10
QTN.OTHERS.FOR.FAILURE..NEG.	-0.08	-0.13	-0.04	0.03	0.13	**0.4**	0.05	0.08	-0.13	-0.17
LACK.OF.PEERS.NEG.	0.01	0.05	-0.15	0.16	**0.74**	-0.01	-0.03	-0.08	-0.02	-0.03
BLAME.LACK.OF.SUPPLIES.FOR.FAILURES..NEG.	0.06	-0.03	-0.18	0.06	-0.03	-0.61	0.08	0.07	0.02	-0.29
BLAME.LACK.OF.FINANCES.FOR.FAILURE..NEG.	0.11	-0.05	**0.74**	-0.02	-0.03	0.13	-0.12	0.07	0.19	0.01
BLAME.LACK.OF.CLIENTS.FOR.NT.GROWING.NEG.	0.21	-0.05	0.04	0.16	-0.03	**0.36**	-0.18	0	**0.37**	-0.25
BLAME.COMPETITION.FOR.LACK.OF.GROWTH..NEG.	-0.01	0.01	-0.17	-0.09	-0.03	0.21	-0.25	0.06	-0.09	-0.08
MY.FAILURES.ARE.DUE.TO.OTHERS..DESTRUCTIONS..NEG.	-0.03	-0.06	0.09	**0.83**	0.05	-0.04	0.09	-0.02	0	0.02
I.FAIL.IN.BUSS.COZ.I.DIDN.T.LIKE.MY.CLIENTS..NEG.	0.06	-0.05	-0.01	0.01	0.19	-0.05	-0.14	-0.06	**0.36**	-0.22
I.FAIL.COZ.LACK.SUPPORT.FROM.COUNTY.GOV..NEG.	0.02	**0.94**	-0.02	0	0.01	0.02	-0.02	0	-0.07	0.02
THE.BAD.ATTITUDE..OF.OTHERS...POS.	**0.98**	-0.02	0.01	0.02	0.05	-0.04	0	0.08	-0.08	0
HARD.BUSINESS.TASKS.IMPAIRES.MY.PERFORMANCE.NEG.	-0.01	0	-0.01	**1**	-0.04	0	0.02	-0.01	0	0.03
OFTEN.MY.LOSSES.ARE.DUE.TO.THE.UNCONDUCIVE.ENVORONMENT..NEG.	-0.05	0.04	**0.8**	0.06	0.01	0.02	0.09	0.08	-0.05	0.01
SOME.OF.MY.LOSSES.ARE.DUE.TO.BAD.LUCK..NEG	-0.05	**0.89**	-0.03	0.01	-0.02	0.01	0.06	0.05	0.03	-0.08
THE.POOR..DIRECTION.OF.MY.BUSINESS.COZ.OF.WRONG.ADVICE	**0.64**	0.23	0.1	-0.05	-0.09	0.04	0.07	-0.12	0.04	0.07
THE.NEGATIVE.DIRECTION.OF.MY.BUSINESS.IS.INFLUENCED.BY.OTHERS.NEG.	**0.93**	-0.03	0.03	-0.02	0.06	0.02	-0.01	-0.01	-0.04	-0.03
MY.NON.PERFORMANCE.IS.DUE.TO.HIGH.TAXES.CHARGED.NEG.	**0.36**	0.04	-0.09	0.14	-0.05	-0.62	-0.18	0.14	0.01	-0.04
BAD.DEBTS.NEGATIVELY.IMPACTS.MY.BUSSINESS.NEG.	0	0.02	**0.82**	0.04	`	-0.05	-0.03	-0.05	-0.09	-0.12
MY.BUSS.IS.OFTEN.BROKEN.INTO.THUS.I.CANT.MOVE.NEG.	0	**0.62**	-0.06	-0.02	0.08	-0.07	-0.01	0.06	-0.03	0
MY.BUSS.LOCATION.IS.NOT.VIABLE.THUS.HARD.TO.GROW..NEG.	0.03	0	-0.02	-0.08	**0.96**	0.01	0.05	-0.02	0.02	0.05
ENT.TASKS.ARE.VERY.INTENSIVE..NEG.	-0.04	-0.01	-0.2	-0.01	-0.16	**0.38**	0.18	0.17	0.21	-0.06
DIFFICULT.TO.LEARN.FROM.FAILURES..NEG.	0.03	-0.1	-0.07	-0.12	-0.16	-0.03	0.12	**0.76**	-0.09	0.1
PEERS.AFFECTED.ME.NEGATIVELY..NEG.	0.14	0.12	-0.19	-0.01	-0.2	**0.45**	-0.06	0.09	0.08	-0.13
THE.TRAINING.I.RECEIVED.WAS.NOT.EFFECTIVE..NEG.	-0.07	-0.02	-0.02	-0.04	0.04	-0.25	0.05	-0.1	0.1	0.25
DEALING.WITH.CLIENTS.IS.BORING..NEG.	-0.02	-0.05	0.03	-0.29	-0.05	0.06	0.04	0.05	-0.19	-0.07
LACK.OF.TIME.TO.BUSS..NEG.	0.08	0.05	0.04	0.03	0.09	0.08	**0.77**	-0.02	0.11	-0.09
NO.MATTER.HOW.HARD.I.TRIED..I.CLDNT.COMPETE.WITH.PEERS.NEG.	-0.12	0.16	-0.05	0.04	0	0.09	-0.06	0	0.23	0.12

Variables/Factors	MR2	MR3	MR7	MR5	MR1	MR4	MR6	MR9	MR8	MR10
UNCONDUCIVE.WEATHER.CONDITIONS.MADE.ME.FAIL..NEG.	0.03	0.01	-0.05	0.12	0	-0.01	**0.8**	-0.03	-0.11	0.03
I.GET.WRONG.ENT.ADVISE.FROM.OTHERS..NEG.	**0.8**	-0.07	-0.09	-0.05	-0.08	-0.07	0.08	-0.09	0.16	0.05
LACK.OF.TECH..NEG.	-0.14	0.11	-0.06	0.06	0.09	0	0.19	-0.02	-0.26	-0.01
DEMANDING.CLIENTS..NEG.	0	**0.85**	0.1	-0.05	0.01	-0.02	0	-0.06	0.07	0.06
SOCIAL.DESTRUCTION	-0.02	0.07	0.1	0.03	0.03	0	-0.09	**0.91**	0.07	-0.04
PEER.AND.CLIENT.SABOTAGE	-0.18	0	-0.18	-0.03	-0.08	-0.31	0.25	0.15	**0.4**	0.03
POOR.METHOD.OF.HANDLING.CLIENTS	-0.09	-0.02	-0.06	0.12	-0.03	-0.01	-0.06	**0.34**	-0.18	0.03
PEERS.FAILED.TO.RECOGNIZED.MY.EFFORTS	-0.06	0.09	-0.24	-0.09	-0.07	-0.27	0.08	0	0.14	-0.15
MY.PARTNERS.MISTAKES.LED.TO.FAILURE	0.08	-0.04	-0.17	0.17	0.1	0.09	-0.11	0.06	-0.01	**0.66**
FAILURE.TO.RECEIVE.FEEDBACK.FROM.CLIENTS	0.1	0.09	-0.26	0.09	-0.3	0.2	-0.23	-0.11	0.03	0.24
UNFAVOURABLE.SITUATION.DURING.THAT.TIME.LED.TO.FAILURE	-0.04	-0.03	0.01	-0.01	-0.02	-0.05	0.22	0.01	0.1	**0.35**
ANGER.OF.CLIENTS.CAUSED.MY.FAILURES	-0.05	-0.15	0.11	-0.07	0.01	-0.18	-0.1	-0.02	**0.36**	0.18
FAILED..DUE.TO.CLIENT.IRREGULARITY	-0.1	-0.01	-0.25	0.24	0.08	-0.01	-0.12	-0.05	-0.19	-0.17
TRAINERS.FAILED.TO.TEACH.DIFFERENT.METHODS.OF.ENT.SKILLS	-0.04	0.07	0.05	-0.01	0.05	0.2	0.07	0.16	**0.36**	-0.01
ENT.TRAINERS.WERE.NOT.MOTIVATING	-0.04	-0.12	-0.04	0.19	0.1	0.14	0.04	-0.08	0.23	0