

**RELATIONSHIP BETWEEN ENTREPRENEURIAL MIND-SET AND
PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES
IN KISUMU COUNTY, KENYA**

**BY
Jael Adongo Otieno**

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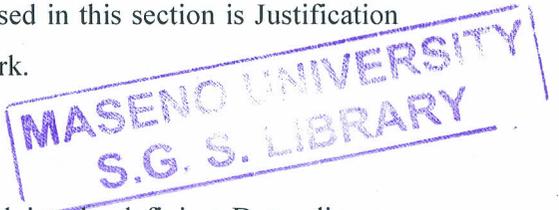
ABSTRACT

Small and Medium Enterprises (SMEs) contribute to employment and economic growth. They create about 85 % of Kenya's employment but contribute only 20% of the total Gross Domestic Product. Moreover majority collapse before they become large businesses. Previous research on these problems of SMEs has focused on economic and social factors like capital, infrastructure, education and culture in vain. Whilst theory argues entrepreneurial mindset has a role in decision making and performance of SMEs, empirically clear information is lacking on that relationship. The main objective of the study was to investigate relationship between entrepreneurial mindset and performance of SMEs in Kisumu County, Kenya. Specifically the study sought to determine relationship between each of four components of entrepreneurial mindset, that is; passion, purpose, positioning and personality and performance of SMEs in Kisumu County, Kenya. The study was guided by Resource Based View Theory. It adopted a descriptive cross sectional survey design. Cluster random sampling design was used to draw a sample of 370 from target population of 10,002 owners of SMEs. Primary data was gathered using semi structured self-administered questionnaire. Reliability of the instrument was determined at Cronbach's Alpha of 0.841. Data was analyzed using descriptive statistics. The findings of the study were mixed. Personality findings, were empowering employees (Asymp.sig. 2-sided, $p < 0.05$) and networking (Asymp.sig. 2-sided, $p > 0.05$). This means personality in the form of networking had insignificant relationship with SME performance in the form of net profit. The converse is true for personality in the form of empowering employees. Positioning findings were; target specific market and focus on execution of ideas (Asymp.sig. 2-sided, $p < 0.05$) while limit business lines (Asymp.sig. 2-sided, $p > 0.05$). This means that positioning through target of specific market and focus on execution of new ideas had significant relationship with performance of SMEs while the converse is true for limit business lines pursued. Purpose findings were (Asymp.sig. 2-sided, $p < 0.05$). This means that purpose had significant relationship with performance of SMEs. Passion findings were; area of specialty, opportunity identification and risk taking (Asymp.sig. 2-sided, $p < 0.05$) while business alertness (Asymp.sig. 2-sided, $p > 0.05$). This means that passion through business alertness had insignificant relationship with performance of SMEs. The other three areas posed the converse. It can be concluded that passion, purpose, positioning and personality had relationship with SMEs performance in form of net profit per year. The study recommends that SMEs adopt and engage in activities that strengthen entrepreneurial mindset. These findings would serve as a guide for researchers, academicians and policy makers, to focus on entrepreneurial mindset as a key approach directing SMEs performance. The researcher recommends further study that use superior analysis tools such as correlation and regression for better results.

CHAPTER ONE

INTRODUCTION

This chapter presents the background of the study, statement of the research problem, research objectives and research questions. Also discussed in this section is Justification of the study, scope of the study and conceptual framework.



1.1 Background of the Study

What a Small to Medium Enterprise depends on who's doing the defining. Depending on the country, the size of the enterprise can be categorized based on the number of employees, annual sales, assets, or any combination of these. It may also vary from industry to industry. Small to Medium Enterprises make up the vast majority of businesses in most countries. In the U.S., the definition of an SME varies by industry, based on the North American Industry Classification System (NAICS). Canada uses the term SME to refer to businesses with fewer than 500 employees while classifying firms with 500 or more employees as "large" businesses. Small and medium enterprises are effective instruments for employment generation and economic growth. According to Normah (2007) the concentration of SMEs has a close relationship with the dominant economic activities. While contributions of small business to development are generally acknowledged, majority of these enterprises perform below expectation. SMEs dominate the world economies in terms of employment and number of companies, yet their full potential remains remarkably untapped (Omar, Arokiasamy & Ismail, 2009).

According to World Bank (2010), Economic growth in developed countries such as Japan, Korea, Taiwan and many others, is significantly generated by SME activities. The percentage contribution of SMEs to Gross Domestic Product (GDP)/total value added ranges from 60.0 percent in China, 57.0 percent in Germany, 55.3 percent in Japan and 50.0 percent in Korea, compared to 47.3 percent attained by Malaysia. SMEs have also played a very important role in the economic development of China. At present, there are more than 10 million of SMEs comprising 99 per cent of the total number of enterprises in China. SMEs contribute 60 per cent of industrial output volume and 40 per cent of the total taxes and profits realized by enterprises in China. The contribution of SMEs in output in Japan is 65 per cent, Germany 48 per cent while in USA its 45 per cent. SMEs in the US generate more than half of the nation's gross domestic product (GDP). According to U.S. Census Bureau Data from 2012, SMEs account for 99% of all

firms in the U.S. and 48.4% of total employment, making them hugely important for economic growth, innovation, and diversity.

Kuratko and Hodgetts (2001), contend that the effectiveness of programs aimed at the development of SMEs will depend on thorough understanding of the individual capabilities the SME owner. Research on Small business development has shown that the rate of failure in developing countries is higher than developed world (Arinaitwe, 2002). Various studies have been conducted to identify critical success factors and the reasons for failures among SMEs. The finding of these factors have been discussed in many books and journal articles, but a more detailed outlook at these characteristics especially in developing countries is still lacking (Beaver,2003). A World Bank report shows the issue of concern in developing countries is low utilization of entrepreneurial capabilities by SME owners (World Bank, 2010).

The Kenya government has put in place strategies aimed at improving productivity and innovation of Small and Medium Enterprises. SMEs create about 85 percent of Kenya's employment and contribute 20% of the total Gross Domestic Product (GDP) (African Economic Outlook, 2011 report). Literature review indicates that SMEs play an important role in the economy of many countries across the globe, be they developed or developing Nations. However, SMEs have been said to report high rate of failures with many enterprises dying at an infant stage. Very few of the SMEs grow to become big enterprises (Mwaniki, 2012). Previous research in Kenya has focused much on economic and social factors like capital, infrastructure, education and culture. SMEs depend on owner for survival and development. Research has shown that today's dynamic environment requires SMEs to be entrepreneurial if they are to survive, grow and have superior performance (Fairoz, et al., 2010).

The business environment needs an entrepreneurial mind-set that must unlearn traditional management principles in order to minimize challenges. SMEs can from the same school of thought. Entrepreneurial mind propels an entrepreneur to see entrepreneurial opportunities, produces self-confidence and self-efficacy which gives the entrepreneur the capability to succeed in his/her entrepreneurial practices (Lucky and Minai, 2011). Entrepreneurial mindset offers a practical blueprint for thinking and acting in dynamic environments as experienced in SMEs. From MacGrath and Macmillan (2000)

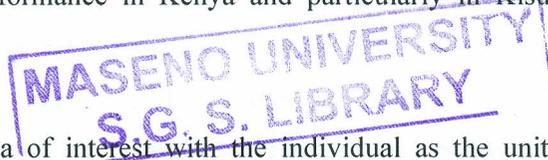
definition of entrepreneurial mind-set, four components were derived; passion, purpose, positioning and personality. McGrath and Macmillan (2000) define entrepreneurial mind-set, as passionately seeking new opportunities, pursuing new opportunities with enormous discipline, pursuing only the very best opportunities, focusing on execution and engaging everyone in their domain.

Entrepreneurial passion involves positive and intense feelings focused on activities associated with roles that are critical to the self-identity of entrepreneurs (Cardon et al., 2009c). One of the key aspects of entrepreneurial passion is that it is not a generalized feeling state experienced for everything, but is instead focused upon specific objects that evoke the positive intense feelings. Entrepreneurial Passion is argued to enhance entrepreneurial creativity, aid recognition of new opportunities, and increase persistence. Scholars have pressed for a deeper understanding of passion as a central element of entrepreneurial efforts (Cardon et al., 2009; Chen et al., 2009). Passion can therefore be a differentiating factor between success and failure for small and medium enterprises. Klein (2006) intonates that if one likes what is being done, a business owner will give his or utmost best. Isidro (2009) reported that a small business should operate in its selected niche area (area of passion) from where the entrepreneurial mind-set should be unlocked in order to ensure success. Passion consists of high levels of entrepreneurial alertness and willingness for risk taking. Entrepreneurial alertness has been defined by Kirzner (1979) as the ability to notice business opportunities without searching for them. Risk taking, entails the willingness to engage in relatively high levels of uncertainty which leads to long term profitability (McGrath, 2001). Empirically, risk taking firms are able to secure superior growth and long term profitability in contrast to risk avoiders (Wang, 2010).

Purpose is the reason an organization exists (Chaston, 2001). Purpose is not vision or mission statements that are laminated hanged on the wall and neither reflects potential or real values of the business. Having a core purpose gives a sense of identity, unlike strategy, purpose is hard to imitate and can clearly differentiate the business. The wealth creating potential of an entrepreneurial mind-set increases in line with the context of a framework. The context of framework includes goal setting. Organizations are pushed to clearly establish what the business needs to do from new venture to maturity. This involves orientation to the appropriate timing to exploit entrepreneurial opportunities (Miller and Folta, 2002). In the changing global markets strategy, systems and structures

are unresponsive and risk survival of organizations, despite continued efforts by donor communities, private sector organizations and government of Kenya to offer support to SMEs, still the effect seems to be negligible as inferred by most recent researchers (Bowen et al., 2009).

Positioning is the act of designing a firm's offering and image in the minds of target market, why should a customer buy your product and not the competitors. Positioning is considered to be one of the key elements in firm performance. Positioning is usually considered the province of big businesses with ample resources and SMEs distant themselves. Studies on Positioning and SMEs have received little attention (Baldcuff et al., 2003), majority of studies have focused on large multinational businesses from the developed countries, although several scholars agree that similar principles apply to SMEs, approaches and level of significance may differ. There is hardly any study focusing on positioning and SME performance in Kenya and particularly in Kisumu County Kenya.



Personality has emerged as a new area of interest with the individual as the unit of analysis, researchers have examined several characteristics with entrepreneurial inclinations such as internal locus of control, creativity, commitment, determination, tolerance of ambiguity and uncertainty, opportunity obsession and high need of achievement, (Rauch and Frese, 2000). However most of these characteristics characterize leaders of large and mature business, not all SMEs have these characteristics, and they need collaboration to enable them to carry out entrepreneurial activities in order to enhance their performance (Watson 2007).

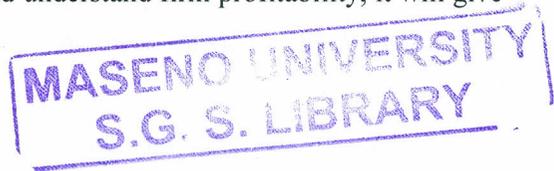
Employee empowerment, worker participation and shared responsibility characterize supportive climates, reflecting an entrepreneurial mindset. Such climates facilitate entrepreneurship by increasing employee's awareness and commitment, Empowering of employees entails encouraging and authorizing workers to take initiative to improve business activities, such as cost-saving ideas, improving product quality and customer service, among other things. Network is considered as one of the most powerful assets since it provides access to power, information, knowledge and technologies. Some researchers, who discussed the advantages of using network relationships, suggested that networking enables SMEs to gain access to resources that they do not possess, minimize

transaction cost and exchange knowledge, which in turn will lead to superior performance.

Performance of Small and Medium Enterprises (SMEs) is a major driver for economy because SMEs contribute to employment growth at a higher rate than larger firms. This can be clearly seen when knowing that in the EU economy about 99.8 per cent of the enterprises are SMEs employing 67% of the European workforce and developing 57% of the value added (European Statistical Data Support, 2008). While there is little consensus on how to measure SME performance in entrepreneurship studies, there seems to be a general agreement on the usefulness of some performance measures. The commonly used measures are employment growth, sales growth, profit, return on equity, and return on assets and entrepreneurs' perceived growth relative to their competitors in terms of increase in company value (Leona *et al.*, 2010). According to O'Gorman (2001) SMEs growth can be measured in terms of sales, number of employees, value added, and complexity of the product line, production technology or the number of locations. Bosma *et al.*, (2000) proposed three measures of success of the entrepreneur, such as: profits of the entrepreneur, employment created by the entrepreneur, and the survival period of the firm. In this study SME performance will be indicated in terms of trend in net profits per year.

Profitability is an important measure of performance that must be considered as it is unlikely that firm growth can be sustained without profits being available for reinvestment in the firm. Growth along this dimension can be considered in terms of net profit margins or return on assets. If we take the definition of entrepreneurship as the creation of rents through innovation (Stewart, 1991) where rents are defined as above average earnings relative to competitors (Norton, 2002), then profitability measures are particularly appealing. This also implies that economic success is required by high performance firms. Alternative views are given by Delmar, *et al.*, (2003), who point out that while profits are an important indicator of success, the relationship of profits to size is only evident in aggregate of firms or over long periods for individual firms. In a competitive market place, to achieve a satisfactory level of profitability must be learned by the business owners. Profitability is the ratio to measure the performance of the company. It is a main aspect in a company's financial reporting. The profitability of a company shows a company's ability to generate earnings for a certain period at a rate of

sales, assets and of capital. The primary goal of the company is to maximize their profitability. Without profitability a firm could not attract outside capital and the business will not survive in the long run. By knowing and understand firm profitability, it will give the feedback for the firm.



1.2 Statement of the Problem

SMEs are universally acknowledged as effective instruments for employment generation and economic growth. Kenya government has put in place strategies aimed at improving productivity and innovation of SMEs. SMEs create about 85 percent of Kenya's employment but contribute only 20% of the total Gross Domestic Product (GDP). This implies poor performance of the subsector .Previous research on SMEs performance has been dominated by the role of economic and social actors like capital, infrastructure, education and culture. In spite of these efforts majority of these enterprises have continued to perform below expectation, According to prevailing statistics there are high business birth rates, however death or stagnation of these businesses is very high.

The effectiveness of programmers aimed at the development of SMEs requires thorough understanding of the individual capabilities the SMEs owner. Entrepreneurial mind-set has been cited as one of the most essential principles that all successful business owners need to have, it offers a practical blueprint for thinking and acting in environments that are fast paced, rapidly changing and highly uncertain similar to what SMEs face. Relationship between entrepreneurial mindset and performance of SMEs is under researched. In this respect the main objective of this study was to investigate relationship between entrepreneurial mind-set and performance of Small and Medium Enterprises. Specifically the study investigated relationship between each component and performance of SMES in Kisumu County, Kenya.

1.3 Objectives of the Study

The broad objective of this study was to investigate relationship between entrepreneurial mind-set and performance of SMEs in Kisumu County.

The study was guided by the following specific objectives:

- i. To investigate relationship between passion and performance of SMEs in Kisumu County.
- ii. To determine relationship between purpose and performance of SMEs in Kisumu County.
- iii. To investigate relationship between positioning and performance of SMEs in Kisumu County.
- iv. To investigate relationship between personality and performance of SMEs in Kisumu County.

1.4 Research Hypotheses

The study was guided by the following hypotheses

H₀₁ There is no significant relationship between passion and performances of SMEs in Kisumu County

H₀₂ There is no significant relationship between purpose and performance of SMEs in Kisumu County

H₀₃ There is no significant relationship between positioning and performance of SMEs in Kisumu County.

H₀₄ There is no significant relationship between personality and performance of SMEs in Kisumu County

1.5 Justification of the Study

Kenyan government has adopted various policy initiated programs designed to facilitate performance of SMEs. Although, the current constitutional framework and the new Micro and Small Enterprise Act 2012 (MSE Act, 2012) provide an opportunity through which the evolution of SMEs can be realized, the effectiveness of programmes aimed at development of SMEs depends on thorough understanding of the individual capabilities the SMEs owner. More specific it is important to investigate factors that are more related to entrepreneurial performance than general characteristics which do not. The study addresses the fundamental question of how to manage a business when uncertainty and rapid change are the norm as experienced by Small and Medium Enterprises. It is against this background that this study undertakes to explore the relationship between entrepreneurial mind-set and performance of small and medium enterprises in Kisumu County Kenya. It attempts to alert scholars working on performance of SMEs that a better

approach is needed. This information will be useful to SME owner managers, consulting firms engaged in helping SMEs deal with performance issues and policy makers designing support mechanisms and schemes to promote growth of Small and medium Enterprises.

1.6 Scope of the Study

The scope of the study is a general outline of what the study will cover. It defines the parameters clearly showing boundaries where the objective, knowledge instruction or outcome is found. It tells the reader what will be included and what will be left out. Therefore the study focused on Small and Medium Enterprises distributed across the seven sub-counties in Kisumu County namely Kisumu West, Kisumu Central, Kisumu East, Seme, Muhoroni, Nyando, and Nyakach.

1.7 Conceptual Framework

Conceptual framework is a schematic presentation which identifies the variables that when put together explain the issue of concern. By reviewing literature a framework is adapted from McGrath and Macmillan (2000) definition of entrepreneurial mind-set, as passionately seeking new opportunities, pursuing new opportunities with enormous discipline, pursuing only the very best opportunities, focusing on execution, and engaging everyone in the domain. From the definition four components of entrepreneurial mind-set are identified namely passion, purpose, positioning and personality, forming the independent variables.

These mind-set components are linked to SMEs performance which is the dependent variable measured in terms net profit per year. The intervening factors are the environment and the market. The environment looks at the external forces that everyone has to contend with such as legislation, technology and state of the economy, environmental forces can put one out of business instantly or create wonderful opportunities. Market looks at influences that impact part of the market one is in such as competition, entering and leaving alliances variables.

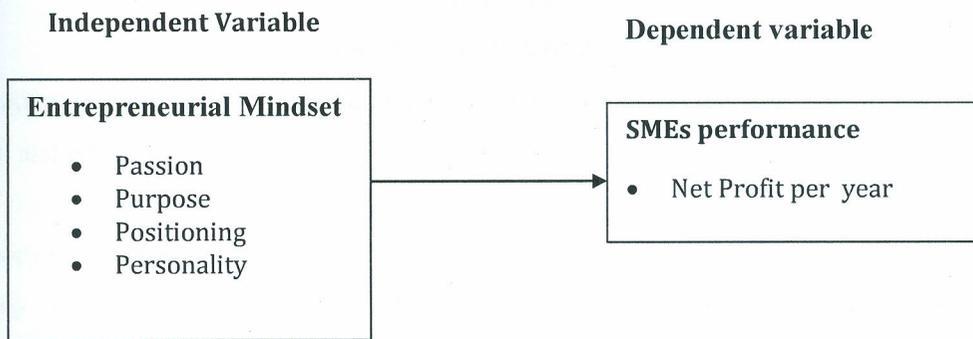


Figure 1.1 Relationship between Entrepreneurial Mindset and Performance Of Small and Medium Enterprises.

Source: Adapted from McGrath and MacMillan (2000).

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CHAPTER TWO

LITERATURE REVIEW

This chapter presents theoretical foundations and empirical review on entrepreneurial mind-set and SME performance.

2.1 Theory of the Study

The study is grounded on Resource-Based Theory (RBT) propagated by Prahalad and Hamel (1980). The theory emphasizes building of organizational resources to enhance competitive advantage for entrepreneurial firms. According to RBT, sustainable competitive advantage results from resources that are inimitable, not substitutable, tacit in nature, and synergistic. This suggests that the method in which resources are applied within a firm can create a competitive advantage. The RBT explains that a competitive advantage is derived from the ability to assemble and exploit an appropriate combination of resources. Such resources can be tangible or intangible, and represent the inputs into a firm's production process such as skills of individual employees, patents and talented managers. Through continued use, these capabilities, defined as the capacity for a set of resources to interactively perform a stretch task or an activity, become stronger and more difficult for competitors to understand and imitate. This theory explains and forms a foundation for this study whose variables are entrepreneurial mindset and SME performance. In the context of the study, entrepreneurial mindset is an intangible resource which may be enhanced for example, by way of training to achieve better performance of SMEs and make them prevail in the market. Just as the theory establishes a relationship between organizational resources and market performance, the study projects a relationship between entrepreneurial mindset and SME performance.

2.2 Relationship between Entrepreneurial Mindset and SMEs Performance

Generally it is accepted that entrepreneurial mindset is crucial for the success of SMEs. According to studies done by Audretsch, (1995) the entrepreneurial mindset uses the power of imagination and creative thinking that refreshes the way an individual thinks. Audretsch (1995) explored the very way the mind works and helps one break through personal boundaries. He called this the creative mind of an entrepreneur. Creative thinking is measured by the ability to give relevant solutions to business issues and improve them. According to McGrath and Macmillan(2000) entrepreneurial mind-set is

about passionately seeking new opportunities, pursuing new opportunities with enormous discipline, pursuing only the very best opportunities, focusing on execution and engaging everyone in their domain. Four components of entrepreneurial mindset are passion, purpose, positioning and personality.

2.2.1 Relationship between Passion and SMEs Performance.

Very few have studies have examined entrepreneurial passion empirically, and none of those has explored the possible relationship of passion of SME owners and performance their enterprises. Baum and Locke (2004) analyzed the individual effect of entrepreneurial passion on venture growth, as well the relationship between passion and entrepreneurial goals, self-efficacy, and communicated vision, he found that passion does not impact venture growth directly, but rather works through pathways mediated by constructs more proximal to individual behavior, such as motivation and self-efficacy. Chen et al., (2009) evaluated the impact of perceived entrepreneurial passion on venture capitalists' decisions to invest in new businesses. They found that venture capitalists were less influenced by passionate displays of emotion versus logical presentations supported by facts. In all the studies, the focus was on the relationship between an individual's passion and either an organizational or other-focused outcome variable (venture capitalists). There is an absence of an organized body of empirical literature focused on studying entrepreneurial passion and its effects on individual entrepreneurs. The study therefore pushes the analysis of entrepreneurial passion down to the individual level, seeking to provide a more comprehensive view of its possible outcomes.

Given the widely held belief that entrepreneurial passion is such an important factor, it is surprising that scant empirical research exist in Kenya. To date, however, researchers have neither investigated those factors that might influence the growth of entrepreneurial passion nor detailed how it affects the actions of Small and Medium Enterprises. There is no information on the relationship between passion and SME performance.

A few researches on alertness and risk taking conducted in Kenya have centered on agro processing and manufacturing sectors in Nairobi. A study by (Njeru, 2012) sought to investigate the extent of entrepreneurial mindset or the lack of it and its effect to the performance of small manufacturers in Nairobi Industrial Area. The focus of the research was to measure the entrepreneurs' mindset exhibited through innovativeness, business

alertness and creativity and how these attributes contributed to the performance of a business enterprise. The study revealed that business alertness, innovativeness and creativity respectively played a great role in business performance. Wambugu (2015) did a study on risk taking and performance of small and medium Agro processing Enterprises in Nairobi, Kenya. The study findings revealed that risk taking has a positive impact on firm performance of agro processing SMEs. There is no study that has covered firms in all industries on this subject and as a result, information is lacking particularly in Kisumu County.



2.2.2 Relationship between Purpose and SMEs Performance

Previous empirical research on purpose has targeted multinational companies in developed countries. Ghoshal, et al., (2002) identified a pervasive organizational inability to cope, survive and succeed, in the face of problems of growing diversity and accelerating change. Their initial research led them to ask over 250 managers in nine multinational companies how their companies were facing up to the complexities of international competition and the growing global marketplace. To understand why the old business models don't work anymore, Ghoshal et al., (2002) cited the example of Alfred Sloan's General Motors as a pioneer of Strategy, Structure and Systems. For years this systematic approach worked starting to break down only in 1980s. Changes in the global market place such as fluctuating markets, technological innovations, overnight competition combined to make such control systems cumbersome, unresponsive and ultimately a risk to the very survival of the organization itself. Ghoshal, et al., (2002) considered that today's leading companies are built around purpose, process and people. It is evident that no known local study has been done on this phenomenon; scholars of SMEs have concentrated on the strategic planning and management. Information on the relationship between purpose and SME performance particularly in Kisumu County is lacking.

2.2.3 Relationship between Positioning and SMEs Performance.

Empirically, it is known that positioning deals with large enterprises, some researchers declare it inappropriate for SMEs to position themselves as they lack resources for such practice (Cragg and King, 1988, Shrader, et al., 1989), with internalization of economies, frequent and uncertain changes, growing use of information technology these empirical studies shows mixed results. While they have found after empirical research that there is

no significant relationship between positioning and SME performance, on the other hand some researchers found that positioning in SMEs improve firm performance (Kotler, 1994). There is a positive relationship between firm performance (profitability and efficiency) and clearly defined positioning (Porter 1996). What compensates for weakness of SMEs is that they may enjoy greater flexibility because of their simplicity, being faster at adapting and responding to changes, hence the need to suggest or find a more efficient process that SMEs can apply to achieve better performance.

Positioning is the act of designing a firm's offering and image in the minds of target market, why should a customer buy your product and not the competitors. Studies on Positioning and SMEs has received little attention (Balducci et al., 2003), majority of studies have focused on large multinational businesses from the developed countries, although several scholars agree that similar principles apply to SMEs, approaches and level of significance may differ. Small and Medium Enterprises have to take the necessary action to manage survival and growth their firms (Baron 2007). Hardly are there studies that have been carried out in the Kenyan context to establish association between positioning and SMEs performance. Information on the relationship between positioning and SME performance especially in Kisumu County is lacking.

2.2.4 Relationship between Personality and SMEs Performance

Westhead and Wright (1998) agree that there is a need to consider the entrepreneur as the appropriate unit of analysis, rather than the business. Personality related entrepreneurial research was observed for the traits that determine who is likely to start a business for example need for achievement and internal locus. For example Bauman Locke (2004) examined the relationship between entrepreneurial traits and the impact it has upon the growth of a venture, examining a sample of 229 CEOs and 106 associates in a 6 year longitudinal study. Research found that entrepreneurial personality traits have a dire effect on venture growth, however most of these studies have been conducted in developed countries, and they characterize leaders of large and mature firms.

SMEs are diverse and differ from one region to another. SMEs in developing countries don't have capabilities and sufficient resources to exploit opportunities; they need collaboration with economic actors to carry out some activities in order to gain access to resources and markets. In their study based on the fifth characteristic of habitual

entrepreneurs of involving everyone in the domain, McGrath and MacMillan (2000) found out that the most important job of entrepreneur is not only to find new opportunities or to identify competitive insights but create an enterprise that fall into three categories, setting the work climate, orchestrating opportunity seeking and selection and moving particular forward personally. A number of empirical studies in the entrepreneurship literature (Hornsby et al. 2002) have demonstrated that the organizational climate within a firm influences the type of entrepreneurial activities a firm pursues.

Salient indicators of a supportive organizational culture are organizational leadership and support, empowered employees, rewards given for entrepreneurial behavior as well as resource availability, especially time and cross-functional interaction within the organization. These factors create an organizational climate, which shapes the view of SMEs, employees and their interest in pursuing entrepreneurial activities. Employee empowerment, worker participation, creativity and shared responsibility characterize supportive climates, reflecting an entrepreneurial mindset (Ngo and Lau 2004). Studies on this subject in Kenya, particularly in Kisumu County is lacking.

CHAPTER THREE

METHODOLOGY

This chapter outlines the methods used in the study and logic behind the methods used. It covers research design, study area, target population, sample size and sampling techniques, collection instruments and procedure of data collection, Reliability and validity tests, data analysis and presentation.

3.1 Research Design

Descriptive cross sectional survey design was adopted for the study. The design afforded the researcher opportunity to study part of the members of the population in order to make generalizations about the phenomena at one point in time. This is supported by Mugenda and Mugenda, 2003 who asserts that this type of design enables one to obtain information with sufficient precision.

3.2 Study Area

The research was carried out in Kisumu County, one of the new devolved Counties of Kenya. It is a major commercial center in Western Kenya. Its borders follow those of original Kisumu district on Nyanza Province in Western Kenya covering the old administrative district of Nyanza province in western. The 2009 census showed the County has a population of 968,909 and covers an area of 2085.9 square kilometers. It is further divided into seven sub-counties.

3.3 Target Population of the Study

Mugenda and Mugenda (2003) define population as a complete set of individuals, cases or objects with some common observable characteristics. Target population is whatever group the investigator wishes to make reference about. The population of this study was 10,002 comprising of different categories of Small and Medium Enterprises from each of the seven sub counties in Kisumu County. The business categories were Food and Textile, Health care, Education, General trade and General Services.

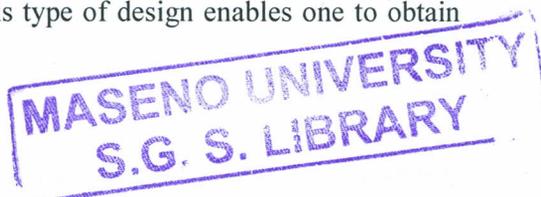


Table 3.1: Sample Distribution of Small and Medium Enterprises in Kisumu County

Sub County	Number of SMEs	Proportion	Sample size(s=370)
Nyando	909	9.09	34
Nyakach	979	9.79	36
Muhoroni	1240	12.40	46
Kisumu East	2114	21.14	78
Kisumu Central	2082	20.82	77
Kisumu West	1101	10.99	41
Seme	1577	15.76	58
Total	10,002	100	370

Source: Integrated revenue registers Kisumu County (2015)

3.4 Sample Size

Cresswell (2003) asserts that the entire population may not be easy to study. A researcher, therefore, has to draw a sample from the study population, if target population is finite, Krejcie and Morgan's formulae may be used to determine sample size.

$$S = \frac{X^2 NP (1-P)}{d^2 (N-1) + X^2 P (1-P)}$$

Where

S=Required sample

X=Z value (1.96 for 95% confidence level)

N=Population size.

P=Population proportion (expressed as a decimal assumed to be 0.50) 50%

D= degree of accuracy (5%) expressed as a proportion (0.05), it is margin error.

Target population is 10,002 as indicated in table 2 above

$$\frac{1.96^2 * 10,002 * 0.5(1-0.5)}{0.05^2(10,002-1) + 1.96^2 * 0.5(1-0.5)}$$

$$\frac{9605.9208}{369.986}$$

$$25.9629.$$

To simplify the process of determining the sample size for a finite population, Krejcie and Morgan (1970), came up with a table using sample size formula for finite population indicated in appendix B. From a study population of 10,002, the sample is 370. Therefore

the study sought to gain information from 370 SMEs distributed across the seven sub counties in Kisumu County. These include Food and textile, Health care, Education, General trade and General Service. Cooper and Schindler (2000) recommend that the researcher must clearly define the characteristic of the population and determine the required sample size.

3.5 Sampling Technique

According to Cooper and Schindler (2008) cluster sampling is a technique used where the population is not homogeneous. Cluster random sampling was used to determine the proportionate size of each sector of small sized enterprises drawn from seven Sub counties ,Nyando 34, Nyakach, 36 Muhoroni 46 Kisumu East78, Kisumu Central 77, Kisumu West 41 and Seme 58 as indicated in table 2 above. It ensured that each Constituency and category of SME was represented in the sample. Respondents were picked by convenience sampling. Convenience sampling allows the researcher to select samples that are accessible and near (Saunders, 2003).

3.6 Data Collection

The study used only primary data collected through questionnaires from the different categories of SMEs in Kisumu County. The questionnaire was completed by owners since they are the all control, success heroes and decision makers in their enterprises. The questionnaire was self-administered by the respondents. The questionnaire was developed and categorised in such a way that every study objective was addressed, by ensuring there were specific questions addressing each objective. All developed questions were of multiple typed and require ticking or circling the appropriate answer, thus minimising completion time, this mode of data collection is preferred owing to its high response rate and clarification of questions compared to either mail or telephone interview.

3.7 Reliability and Validity Tests

Mugenda and Mugenda, (1999) defines reliability as a measure of the degree which a research results yields consistent results after repeated trials. It helps in identifying problems that might have been encountered by the respondents when answering questionnaire. The reliability of the instrument was estimated using Cronbach's Alpha Coefficient which is a measure of internal consistency. A reliability of at least 0.70 at $\alpha=0.05$ significance level of confidence is acceptable (Gable and Wolf 1993).Cronbach

Coefficient Alpha was found to be 0.841; this therefore indicates that the test instrument was reliable.

The validity of an instrument refers to the success of the scale of measuring, what it sets out to measure so that difference in individual scores can be taken as difference in the characteristics under study (Kothari, 2004). Validity is largely determined by the presence or absence of systematic error in data. In this study, the researcher collected data personally and where appropriate seek advice from Supervisor. The supervisor reviewed the questionnaires in order to determine face validity and all comments noted and incorporated in the questionnaire before finalizing the questionnaire, in this way content validity was ensured.



3.8 Data Analysis

The collected data was thoroughly examined and edited for completeness and consistency, (Kothari, 2008). The data was coded to group responses into various categories hence avoid errors, data collected was fed into computer programs through the Statistical Package for Social Sciences (SPSS) for easy analysis and interpretation of results. The data was analyzed by using the descriptive statistics. Frequencies showed the numbers of cases in each level of a categorical variable, Cross tabulation was used to assess relationship between passion, purpose, positioning, personality and net profit per year. Pearson's chi square determined strength of relationship.

3.9 Data Presentation

Data presentation was done by the use of pie charts, bar charts, percentages and frequency tables. This was to ensure the gathered information is clearly understood. Cooper and Schindler (2003) notes that the use of percentages is important for two reasons. Firstly they simplify data by reducing all the numbers to range between 0 and 100. Secondly they translate data into standard form with a base of 100 for relative comparison.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

This chapter details the results of analysis and discussions on the relationship between entrepreneurial mindset and performance of small and medium enterprises in Kisumu County, Kenya. The results are given with respect to objectives of the study, the research findings were analyzed based on the questionnaires administered using descriptive statistics.

4.1. Relationship between Passion and Performance of SMES

First objective of the study was to investigate the relationship between passion as a component of entrepreneurial mind-set and performance of small and medium enterprises in Kisumu County. Passion was investigated in terms of area of specialty, recognizing entrepreneurial opportunities, entrepreneurial alertness and risk taking.

4.1.1 Area of Specialty

Respondents were asked whether the business is their area of specialty. From the findings 96% are specialized while 4 % are not specialized in their business.

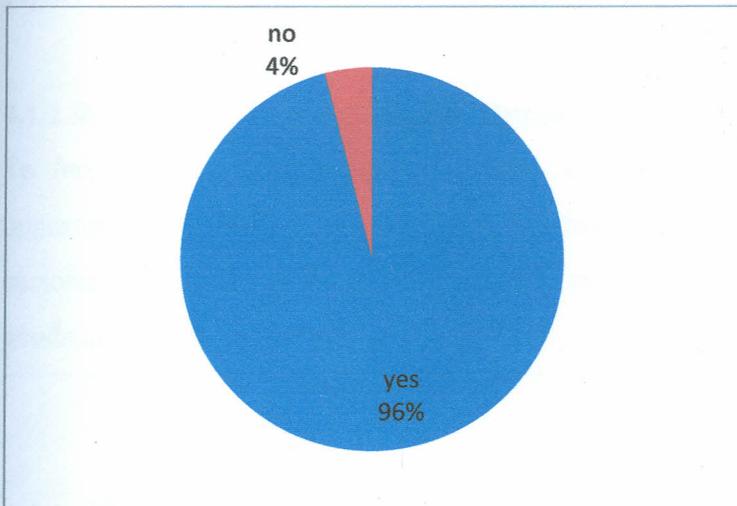


Figure 2: SMES Response on Area of Specialty

Cross tabulation on specialization against net profit per year shows, those who operate in the area of specialty, 60.3 % experienced increase in profit, 5.4% decrease in profits, 17.6% constant profits and 12.4 % not sure. Those who don't operate in their area of specialty 0.3% experienced increase in profit, 4.1% were not sure. The finding suggests majority of SMEs in Kisumu County who operate in their area of specialty perform

better. The findings concurs with Isidro (2009) who was of the opinion that a small business should operate in its selected niche are (area of passion) from where the entrepreneurial mindset is unlocked to ensure success.

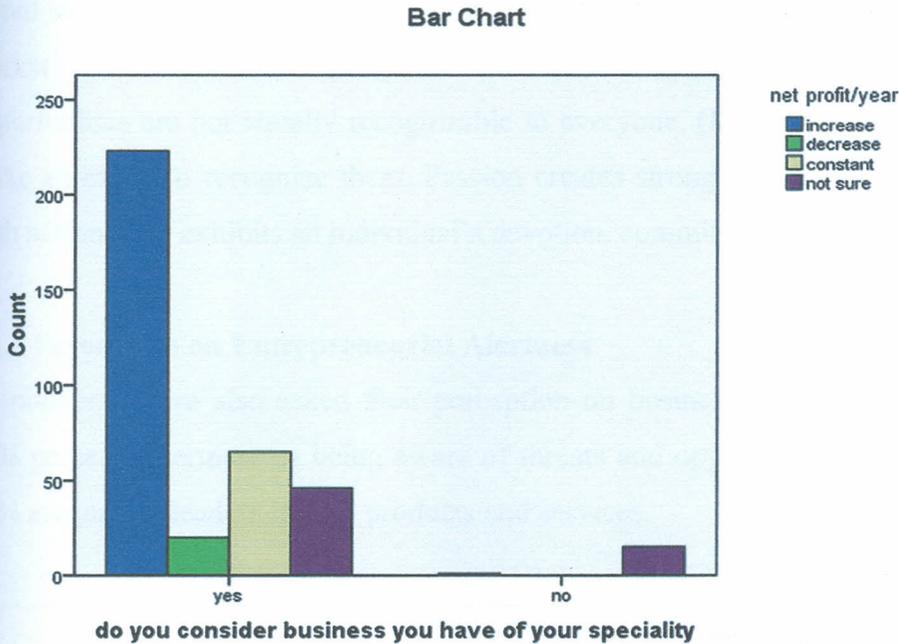


Figure 3: Cross Tabulation of Net Profit and are of Speciality

4.1.2 Recognizing Entrepreneurial Opportunities

To further investigate effect of passion, responders were asked how they recognize opportunities in terms of accessing new markets and identifying goods and services customers want. From the findings 49% have access new market trends, 51% identify goods and services customers want.

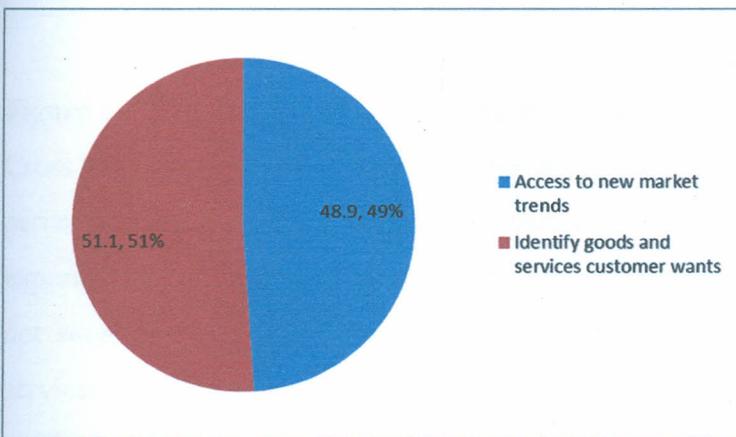
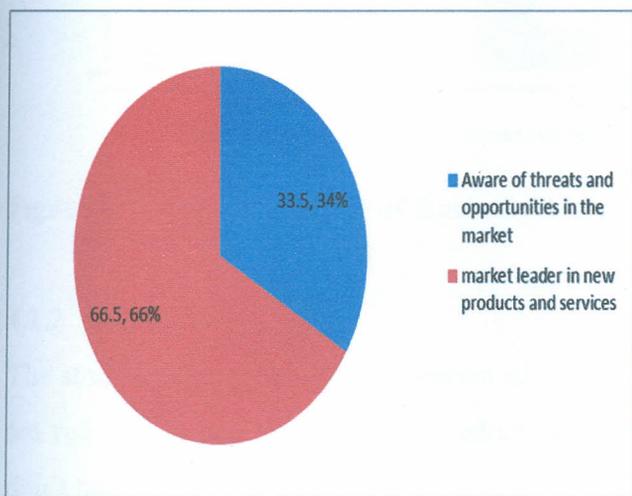


Figure 4: SMEs Response on Opportunity Recognition.

Cross tabulation on opportunity identification against net profit per year shows, those who access new markets 31.4 % experienced increase in profit, 3.8% decrease in profits, 7% constant profits and 6.8 % not sure. Those who identify goods and services customers want 40% experienced increase in profit, 4% decrease in profits, 8% constant profits, 9.7 % not sure. The findings reveal SMEs in Kisumu County make an effort to access new market trends and identify goods and services customers want. Entrepreneurial opportunities are not equally recognizable to everyone, (Kirzner, 1973). There is need to make an effort to recognize them. Passion creates strong emotional attachment coupled with actions that exhibits an individual's devotion, commitment and preparedness.

4.1.3 Perception on Entrepreneurial Alertness

Respondents were also asked their perception on business alertness. From the findings 34% perceive alertness as being aware of threats and opportunities in the market, while 66% are market leaders in new products and services.



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Figure 5: SME Owners' Response on Business Alertness.

Cross tabulation on business alertness against net profit per year shows, those who perceive alertness as being aware of threats and opportunities in the market, 19.5 % experienced increase in profit, 2.7% decrease in profits, 5.9% constant profits and 5.4 % not sure. Those who perceive alertness as being market leader in new products and services 41.1% experienced increase in profit, 2.7% decrease in profits, 11.6% constant profits, 11.1% not sure.

The findings suggest majority of SMEs in Kisumu are not aware of threats and opportunities in the market, they don't do strength, weakness opportunities and threats (SWOT) analysis well before they venture in new products and services, This finding concurs with an earlier finding by Oshikoya and Hussain, (2007) reporting that many small businesses operate in an information-deficient environment due to lack of proper business support services and the poor information flow.

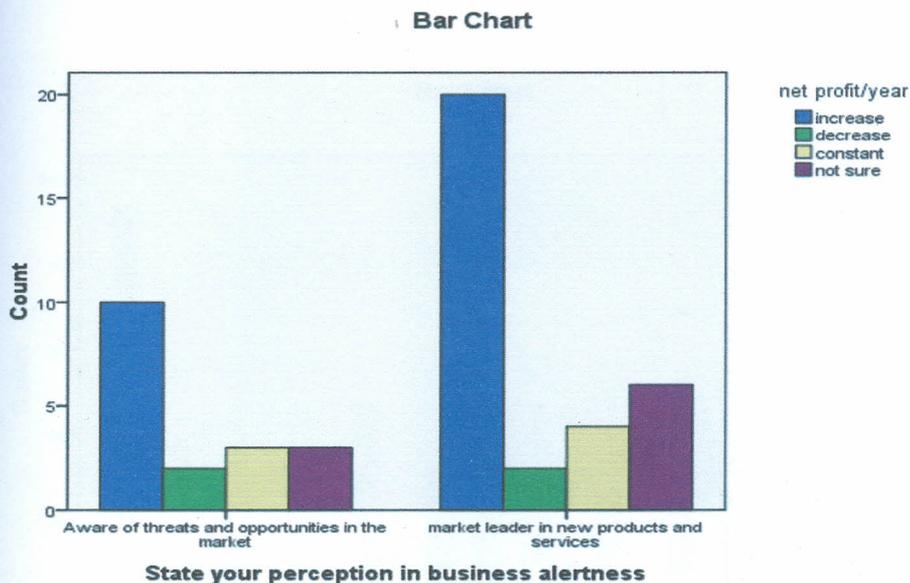


Figure 6: Cross Tabulation of Business Alertness and Net Profit Per Year.

4.1.2 Risk Taking

The study further investigated passion of the respondents by asking whether respondents are risk takers and the extent to which they take risks, 68.6% take risks while 31.4% don't take risks.

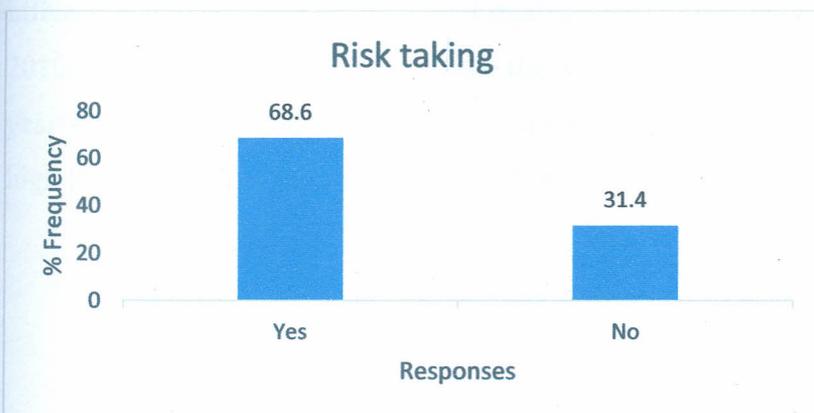


Figure 7: Percentage Frequency of Risk Taking on Small and Medium Enterprises.

The findings reveal , those who take projects with higher rate of returns 25.1% experienced increase in profits, 1.1 % decrease in profits 10% constant profits and 1.1% not sure. Those who take advantage of business opportunities provided by environment 4.6% increases in profits, 1.4% decrease in profits. Wait and see 12.7% increase in profits, 3.0% decrease in profits, 8.6% not sure, low risks projects, 10.8% increase, 6.2% constant, 2.4% not sure. Invest in wide range of activities 7.3% increase in profits, 1.4% constant and 4.3% not sure.

Bar Chart

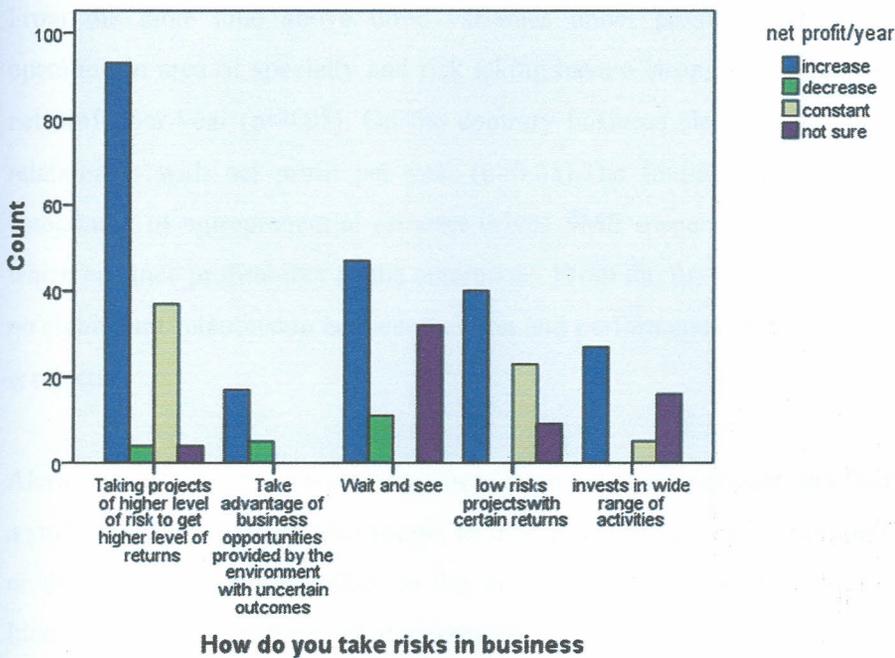


Figure8: Cross Tabulation of Risk Taking and Net Profit/ Year

The results are consistent with findings from other scholars that established risk taking influences performance of small and medium enterprises (Rao, 2012, Awang and Ahmed, 2010). The findings also demonstrate the ability of SMEs to get increased net profit per year is directly related to intensity of taking risks, in the study high level of risks with high level of returns yielded higher profits as indicated in figure 6.

Table4.1: Pearson Chi-Square Results on Relationship between Passion and Performance of SMES.

	<i>N</i>	<i>Pearson Chi-Square</i>	<i>Asymp.sig.(2-sided)</i>
Area of Specialty	370	72.537 ^a	0.000
Opportunity Identification	370	7.900 ^a	0.048
Business alertness	370	2.646 ^a	0.449
Risk taking	370	21.599 ^a	0.000

Correlation is significant at the 0.05 level (2-tailed).

From the table above three variables under passion, opportunity recognition, operating in area of specialty and risk taking have a strong significant relationship with net profit per year ($p < 0.05$). On the contrary business alertness has weak insignificant relationship with net profit per year ($p > 0.05$). The findings demonstrate passion as a component of entrepreneurial mindset drives SME owners to entrepreneurial activities which enhance profitability of the enterprise. From the findings hypothesis H₀₁: There is no significant relationship between passion and performance of SMEs in Kisumu County is rejected.

Alertness was found to have no significance on net profit per year; the findings contradict a study by (Njeru, 2012) who sought to investigate the extent of entrepreneurial mindset or the lack of it and its effect to the performance of small manufacturers in Nairobi Industrial Area. The focus of the research was to measure the entrepreneurs' mindset exhibited through innovativeness, business alertness and creativity and how these attributes contributed to the performance of a business enterprise. The study revealed that business alertness played a great role in business performance. The study targeted the manufacturing category only in one location. This affects generalization to other categories in the SME sector. The current study was carried out across all the sub counties in Kisumu County and covers all categories of SME sector. The findings suggest no matter how SMES are alert; what will ultimately affect profitability of the business is actual recognition of opportunities specialization and risk taking.

4.2 Relationship between Purpose and Performance of SMEs

The second objective of the study was to establish the relationship between purpose and performance of small and medium enterprises in Kisumu County. To further assess purpose, the respondents were asked whether they have set goal for their enterprises, and whether goals are measurable.

4.2.1 Set Goals

From the findings, 85.9% responded not at all, 12.7% and 1.4% sometimes set goals.

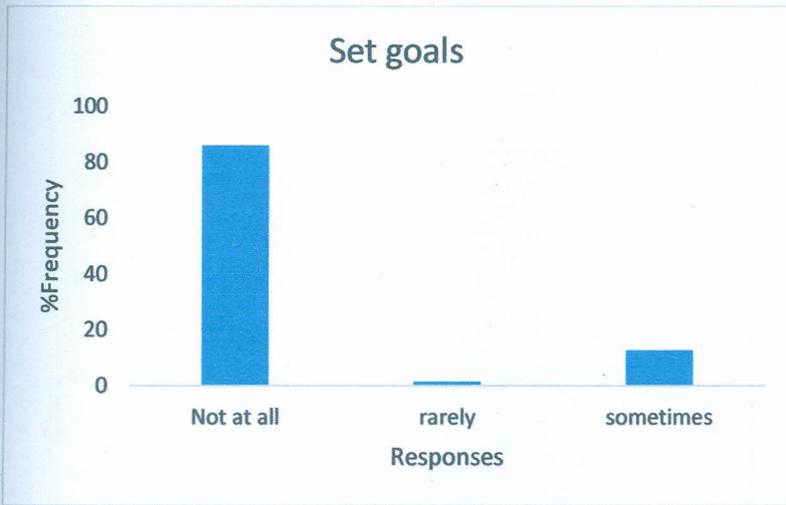


Figure 9: SMEs Response on Set Goals

The respondents were also asked whether they set measurable goals like specifying increase in profits new opportunities should bring. 39% have measurable goals, specify what increase in profits that new opportunities will bring, 62 % don't have measurable goals.

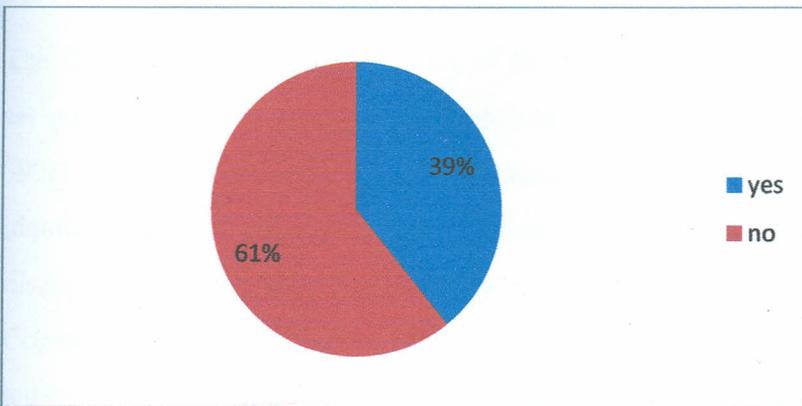


Figure 10: SMEs Response on Measurable Goals

Cross tabulation of set goals against net profit indicates not at all had 54.9% increase in profits, 4.1% decrease in profits, 16.2% constant in profits, and 10.8 % not sure. Rarely set goals 4.3% increase, 1.4% decrease, 1.4%constant, 5.7% not sure. Sometimes set goals 1.4% increase in profits.

Cross tabulation of measurable goals against net profit indicates, yes response 27.8 % increase in profits, 5.9% constant profits, 6.5% not sure. No response, 32.7 % had increase profits.

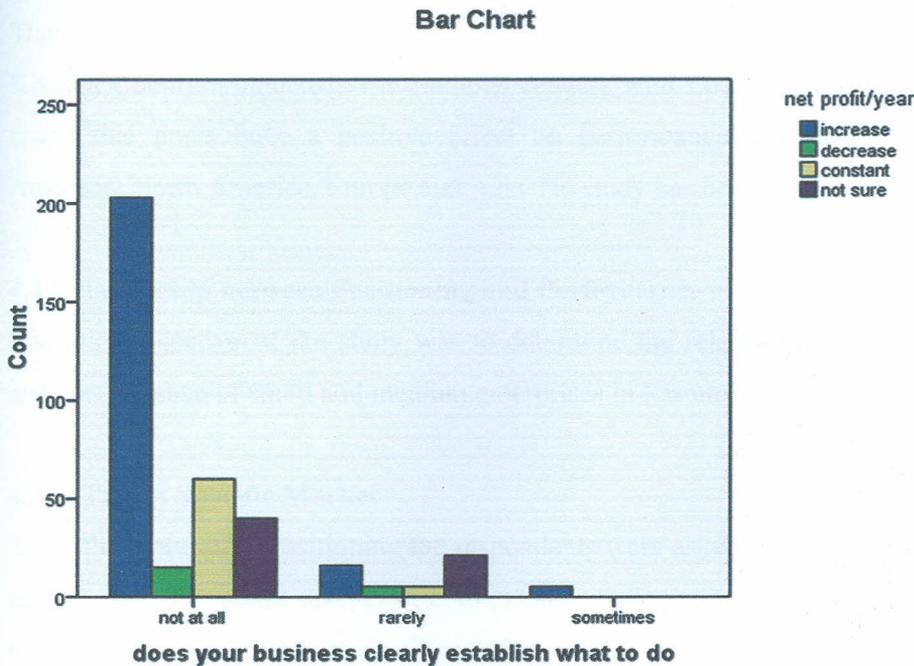


Figure 11: Cross Tabulation of Set Goal Against Net Profit/ Year

The findings revealed that majority of the SME owners in Kisumu County did not have set goals for the business. Higher percentage did not set measurable goals (61% against 39%). Clearly articulated purpose set direction and steer the business, it gives sense of identity and guide work, if it is not part of the business, the business becomes diluted and disappear overtime. This explains why percentage of business above 5 years is only 33%, Compared to 67% under 5 years. Management style is likely to be more intuitive than analytical, more concerned with day-to-day operations than long-term issues, and more opportunistic than strategic in its concept (Hill, 1987). Although this attitude is the key strength at the start-up stage of the enterprise because it provides the creativity needed

and yield higher profits it may present problems when complex decisions have to be made.

Table 4.2: Pearson Chi-Square Results on Relationship between Purpose and Performance of SMEs

<i>N</i>	<i>Pearson Chi-Square</i>	<i>Asymp.sig. (2-sided)</i>
370	39.138 ^a	0.000

From the table above the variable under purpose; set goals shows significant relationship with net profit per year ($p < 0.05$). From the findings, the hypothesis H₀₂: There is no significant relationship between purpose and performance of SMEs in Kisumu County is rejected. The findings concurs with Locke and Latham, (2002), who found that goals have a positive effect on performance, the study was verified in Australia, North America, Europe and Asia. No study has been done in Kenya.

4.3 Relationship between Positioning and Performance of SMEs

The third objective of the study was to determine the relationship between positioning and performance of small and medium enterprises in Kisumu County.

4.3.1. Target Specific Market

To further determine positioning the respondents were asked whether they target specific markets for their goods and services to enhance their performance 56.50% target specific market, 43.50% rarely target specific market.

Table 4.3: Percentage Frequency on Target for Specific Market Products

Target a specific market for the products		
	Frequency	Percentage
Agree	122	56.50
Rarely	102	43.50
Total	370	100

Cross tabulation of responses who target specific market against net profit per year indicates 33% had increase in profits, 1.4% decrease in profits, 14.30% constant profits,

7.8% not sure. Those who rarely target specific market 27.6% increase in profits, 4.1% decrease, 3.2% constant and 8.6% not sure.

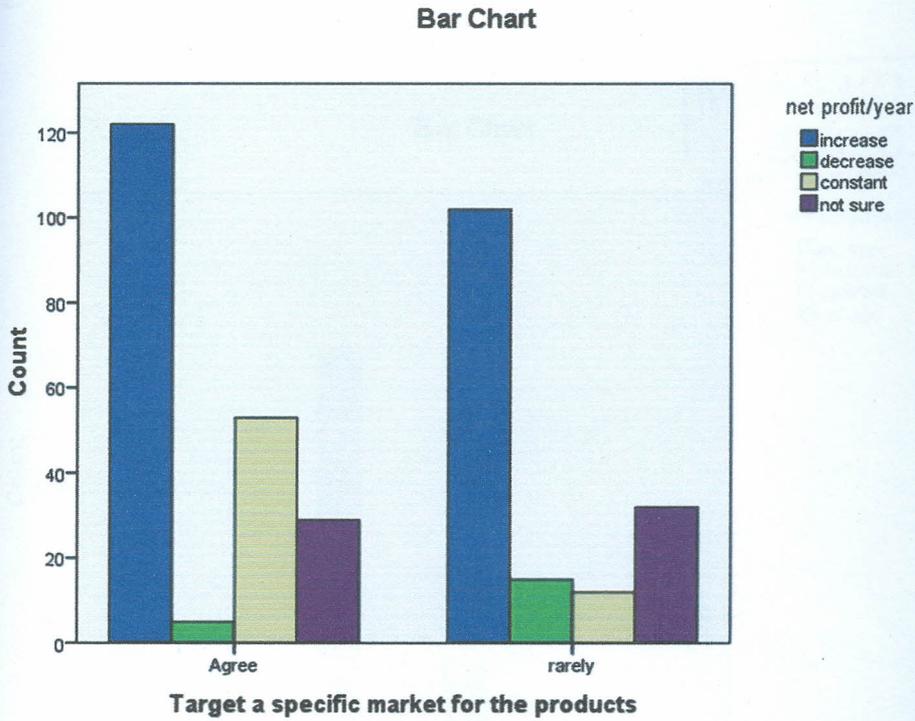


Figure 12: Cross Tabulation on Targeting Specific Market for Products and Net Profit.

4.3.2 Limit Business Lines Pursued

The study further inquired whether respondents limit business lines pursued 34% limit business lines pursued, 65.7% rarely and 0.30 % sometimes.

Table 4.4: Percentage Frequency on Limitation of Business Lines Pursued

Limit business lines pursued		
	Frequency	Percentage
Agree	126	34.1
Rarely	243	65.7
Sometimes	1	0.30
Total	370	100

Cross tabulation of limit business line and net profit per year shows 19.2% increase in profits, 0.80% decrease, 7% constant, 7% not sure, Those who rarely limit business lines pursued 41.1% increase in profits, 4.6% decrease in profits, 10.50% constant, 9.50% not sure.

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Bar Chart

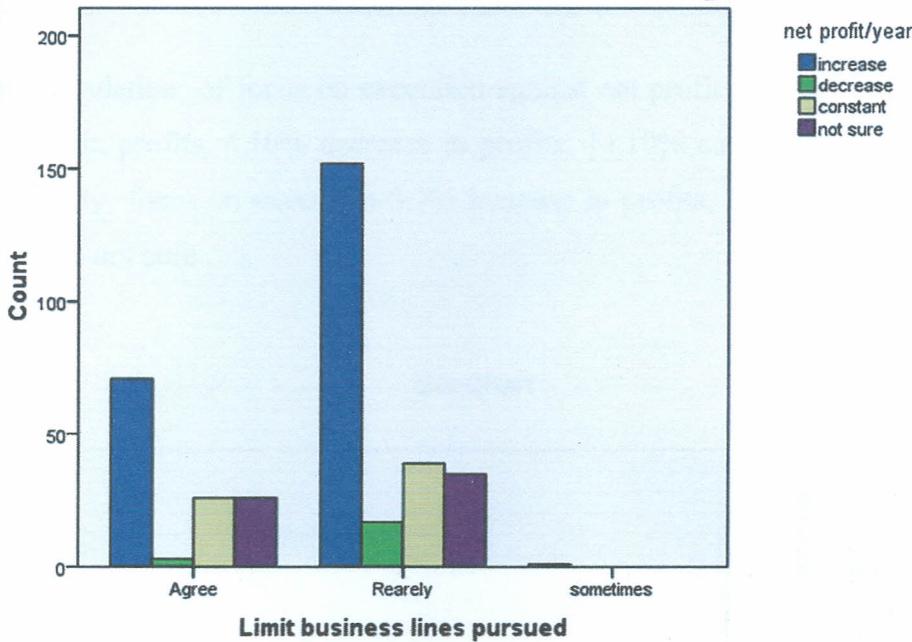


Figure 13: Cross Tabulation on Limitation of Business Lines Pursued and Net Profit.

4.3.3 Focus on Execution of Ideas and Business Performance

The study also sought to determine whether respondents focus on implementing ideas to enhance their competitive advantage. Based on the findings, the majority of the respondents (84.10%) focus on execution of ideas, only 15.90% rarely focus on execution of new ideas.

Table 4.5 Percentage Frequency on Focus on Execution of Ideas

Focus on execution of ideas		
	Frequency	Percentage
Agree	311	84.10
Rarely	59	15.90
Total	370	100

Cross tabulation of focus on execution against net profit per year indicates 54.90% had increase in profits, 4.10% decrease in profits, 14.10% constant, 11.10% not sure, those who rarely focus on execution 5.7% increase in profits, 1.4% decrease, 3.5% constant and 5.4% not sure .

Bar Chart

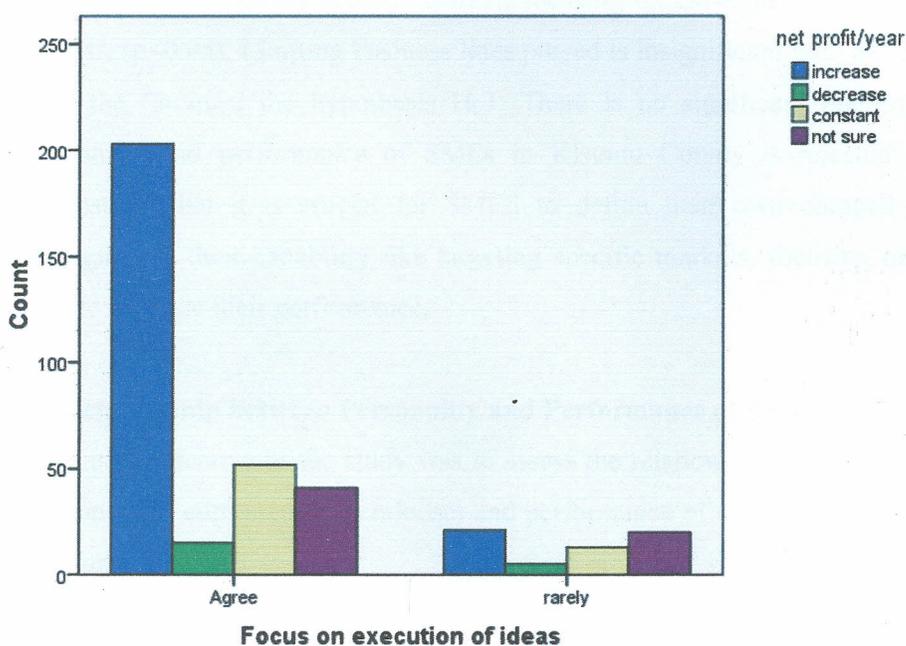


Figure 14: Cross Tabulation on Focusing on Execution of Ideas against Net Profit/Year

From the findings SMEs in Kisumu who target specific markets for their products realize increased profits. The findings also reveal that Small and Medium Enterprises achieve better profits when they diversify their products instead of limiting business lines, Majority of Small and Medium Enterprises are disadvantaged in terms of economies of scale they have to diversify products and services to be able to maintain costs. SMEs are

flexible and able to make decisions promptly; this confirms why a high percentage focuses on execution of ideas. Although corroborating with several findings of other scholars, (Kinyua, et al., 2010), implementation process remains a challenge leading to shelving of well-formulated ideas that fail at the implementation stage. This can be observed from the findings, among the 84% that focus on execution of ideas only 55% experienced increase in profits.

Table 4.6: Pearson Chi-Square Table on the Relationship between Positioning and Performance of SMEs.

<i>Positioning</i>	<i>N</i>	<i>Pearson Chi-Square</i>	<i>Asymp.sig.(2-sided)</i>
Target specific market	370	27.023 ^a	0.000
Limit business lines pursued	370	07.398 ^a	0.286
Focus on execution of ideas	370	22.144 ^a	0.000

From the table above out of the three variables under positioning, there is significant difference with targeting specific market, focusing on execution of ideas and net profit per year. ($p < 0.05$). Limiting business lines pursued is insignificant with net profit per year. From the findings, the hypothesis H₀₃: There is no significant relationship between positioning and performance of SMEs in Kisumu County is rejected. The findings demonstrate that it is crucial for SMES to define their own competitive space, by leveraging on their capability like targeting specific markets, focusing on execution of ideas to enhance their performance.

4.4. Relationship between Personality and Performance of SMEs.

The fourth objective of the study was to assess the relationship between personality as a component of entrepreneurial mindset and performance of small and medium enterprises in Kisumu County.

4.4.1 Networking and Business Performance.

To assess the relationship between personality and performance of SMES in Kisumu County, the respondents were requested to indicate whether they have network of relationships or not. From the study findings, the majority of the respondents agreed that they have network relationships (81.90%, 18.90% rarely have).

Table 4.7: Percentage Frequency on Network Relationships

Have network relationships		
	Frequency	Percentage
Agree	300	81.1
Rarely	70	18.9
Total	370	100

Cross tabulation on networking against profit margins in the last one year shows, those who networked 51.40% experienced increase in profit, 4.10% decrease in profit, 14.10% constant in profit, 11.60% not sure. Those who rarely network, 9.20% experienced increase in profits, 1.4% decrease in profits and 3.5% constant profits and 4.90% not sure.

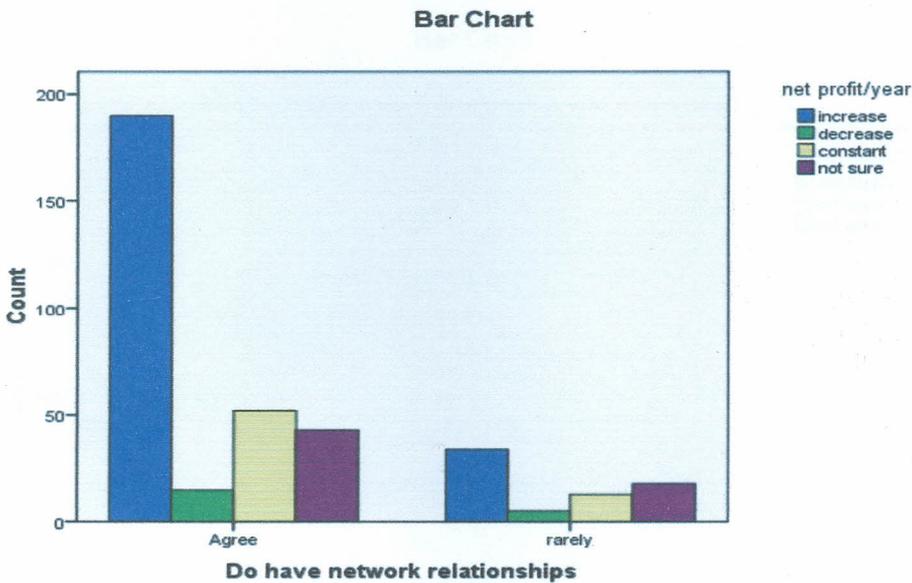


Figure15: Cross Tabulation on Network of Relationships against Net Profit Per Year

4.4.2 Empower Employees

In addition the study assessed the relationship between empowering employees and business performance. From the findings, 79.20% of the respondents emphasize employee empowerment, 2.80% rarely emphasize employee empowerment.

Table4.8: Percentage Frequency on Empowering Employees

Empower Employees		
	Frequency	Percentage
Yes	293	79.2
No	81	20.8
Total	50	100

Cross tabulation on empowering employees against profit margins in the last one year shows, those who empower employees 48.90% experienced increase in profit, 4.10% decrease in profit, 16.50% constant in profit, 9.70% not sure. Those who rarely empower employees, 11.60% experienced increase in profits, 1.40% decrease in profits and 1.1 constant and not 6.8 % sure.

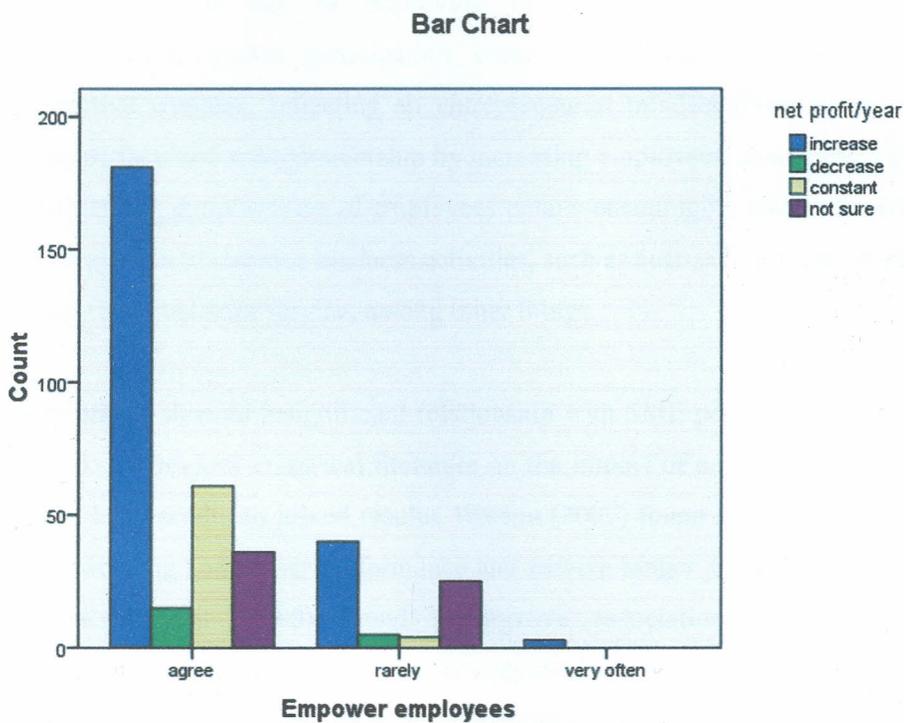


Figure 16: Cross Tabulation of Employee Empowerment against Net Profit/Year.

Table 4.9: Pearson Chi-Square Results on Relationship between Personality and Performance of SMEs.

<i>Personality</i>	<i>N</i>	<i>Pearson Chi-Square</i>	<i>Asymp.sig.(2-sided)</i>
Empower employees	370	27.396 ^a	0.000
Networking	370	7.034 ^a	0.71

From the table above out of the two variables there is significant relationship empowering employees and net profit per year ($p < 0.05$). The study reveals that what improves profitability of SME enterprise is when employees have been given ability to contribute to success of the firm. From the findings, the hypothesis H₀₄: There is no significant relationship between personality and performance of SMEs in Kisumu County is rejected.

The results are consistent with findings from other scholars that established employee empowerment is key to improving firm performance (Nzuve, 2010). Employee empowerment, worker participation, creativity and shared responsibility characterize supportive climates, reflecting an entrepreneurial mindset (Ngo and Lau 2004). Such climates facilitate entrepreneurship by increasing employees' awareness, commitment and involvement. Empowering of employees entails encouraging and authorizing workers to take initiative to improve business activities, such as cost-saving ideas, improving product quality and customer service, among other things.

Networking showed insignificant relationship with SME performance in Kisumu County ($p > 0.05$). Previous empirical literature on the impact of networking on the performance SMEs have produced mixed results. Watson (2007) found that SMEs that were involved in networking had higher performance and survive longer. On contrary, Rowley, Behrens and Krachhardt (2000) found a negative association between networking and performance. Although networking is considered as powerful asset as it provides access to information not all SMEs have capabilities and sufficient resources to utilize such opportunities.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter details the summary, conclusion and recommendations of the study based on the objectives, these are the findings on relationship between entrepreneurial mind-set and performance of small and medium enterprise in Kisumu County, Kenya drawn from data collected, analyzed and presented.

5.1 Summary of Findings

Aspects examined under passion were; operating in area of specialty, opportunity recognition, business alertness, risk taking and their relationship with SMEs performance in form of net profit per year. Results indicated relationship is present between the various aspects of passion and SMEs performance in form of net profit per year though statistically insignificant in the case of business alertness. The aspect examined under purpose was setting goals and its effect on net profit per year. The results indicated a relationship exists between purpose and performance of SMEs in form of net profit per year

Business positioning was assessed through three aspects; target specific market, limit business lines and focus on execution of ideas. The results indicated a relationship exists between positioning and performance of SMEs in form of net profit per year though statistically insignificant in the case of limit business lines. Aspects assessed under study on personality were networking and empowerment of employees. The results indicated a relationship exists between personality and performance of SMEs in form of net profit per year though statistically insignificant in the case of networking.

5.2 Conclusion

From the findings, it can be concluded that entrepreneurial mindset in its four constructs of passion, purpose, personality and positioning has a relationship with performance of SMEs. It is therefore expected that if changes occur in the passion and personality and in positioning and purpose perspectives of entrepreneurs, in this case the owners of SMEs, then change in performance will be realized.

5.3 Recommendations

SMEs should enhance their perspectives on passion, purpose, personality and positioning as these aspects have a relationship with their performance. They should however be cautious on limiting business lines, business alertness and networking as these may or may not have a material relationship with performance even though they are aspects of the various elements of entrepreneurial mindset.

5.4 Suggestions for further Studies.

The study recommends further research on large enterprises and using superior analysis tools that would expose more attributes of the relationship between entrepreneurial mindset and performance of SMEs. In particular the study proposes a correlational research



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