

The influence of cultural beliefs and values on business growth among women-owned and managed enterprises in Kericho Country, Kenya

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Abstract

Business growth is an extremely important issue in any country's economy. The study sought to establish the effects of cultural factors on the growth of women enterprises. Based on the study, this paper examines how cultural beliefs and values influence the growth of women-owned and operated businesses in Kericho County. Data was collected from 286 respondents from a target population of 1,007 businesses managed and/or owned by women. The study focused on both formal and informal businesses and utilized descriptive research design. Data was collected using questionnaires administered to selected women entrepreneurs in Kericho town chosen through simple random and purposive sampling techniques. Obtained data was analysed using descriptive statistics with the aid of Statistical Package for Social Sciences (SPSS). Presentation of data was done using frequency tables. The research revealed that majority of the women entrepreneurs felt that cultural beliefs and cultural values had an effect on the growth of their small-scale businesses. From these findings, the study recommends that small-scale women entrepreneurs in Kericho County should be involved in entrepreneurial training with the help of the county government of Kericho. The study also recommends the government should create policies to enable women to venture into all types of businesses.

Keywords: Cultural Beliefs, Values, Business Growth, Women, Enterprises, Kericho County, Kenya

1. Introduction

Micro and small enterprises (MSEs) are the leading force in the development of most African economies. They are also essential for economic growth in many developing countries. Entrepreneurial activities such as innovation, risk bearing, employment creation, finding new opportunities and the commercialization of inventions have contributed to the prosperity of majority in all regions of the world.

In Europe, the private sector employs 60 per cent of the workforce (Wintermantel, 1999) ^[16]. Japan has six million small-and medium-sized enterprises (SMEs) which account for 99.7 per cent of all businesses in the country, and 70 per cent of the total labour force (METI, as cited in Chu, Kara & Benzing, 2008) ^[3]. In Taiwan, 96 per cent of all small firms are SMEs employing 78 per cent of the nation's work force (Lin, 1988). According to Lee (1998) ^[9], South Korean SMEs provide more than 70 per cent of all jobs in the country.

According to the World Bank (2006) ^[17], MSEs are making significant contributions to Africa's economic growth. Ghanaian micro-enterprises which employ less than 5 people, account for 70 per cent of country's workforce (World Bank, 2006) ^[17]. In 2003, Kenya's private sector employed 3.2 million people and contributed 18 per cent to the nation's GDP. The impact of small businesses on the any national economy is difficult to accurately measure, but it is believed to be highly dynamic and significant. It has been estimated that between 45 and 60 per cent of the urban labour force work for private enterprises (OECD, 2005) ^[13].

Culture and Women Entrepreneurship

Cultural factors are among the issues that influence growth and development in entrepreneurship. Culture is that complex whole which includes knowledge, belief, art, law, morals,

customs and all other capabilities and habits acquired by human beings as a member of society (Ayisi, 1997) ^[1]. Hofstede (1991) ^[5] defines culture as "a collective programming of the mind which distinguishes the members of one group or category of people from another". In other words, Hofstede (1991) ^[5] regards culture as a collective phenomenon that is shaped by individuals' social environment, not their genes. Cultural differences are the result of national, regional, ethnic, social class, religious, gender, and language variations. Values are held to be a critical feature of culture and cultural distinctiveness.

A woman entrepreneur can be defined as a confident, innovative and creative adult female person capable of achieving self-economic independence individually or in collaboration, generate employment opportunities for others through initially establishing and running the enterprise by keeping pace with her personal, family and social life (Salemi, 2011) ^[14].

Cultural Beliefs

The cultural background of women determines their entrepreneurship. The cultural background influence women in many respects, including the types of economics activities selected, the use of time in their job, their motivation, their management style, and their decision making process. Research shows that among the many cultural factors that affect women's entrepreneurship are religion, educational attainment and skills, age, customs, marital status and geographical location. These factors are highly related to each other (UN ESCAP, 1997) ^[15].

Cultural factors are deeply rooted elements of a particular society and encompass the values, attitudes, norms, practices, institutions, stratifications, and related ways of a society.

Cultural events either force a person or make it desirable to choose entrepreneurship as a career option. From a cultural perspective, a factor such as societal upheaval is considered to have extensive impact on the making of new entrepreneurs. Societal disruptions which affect family life may influence the choice of non-traditional career paths (Kumar, 2014) [7].

Lamidi (2013) [8] posits that business growth depends mainly on entrepreneurial perception of business and these perceptions are shaped by social beliefs, values, cultural restrictions and religious values. In Northern Nigeria, the Hausa/Fulani Ethnic groups, who are the majority ethnic groups in Nigeria, constitute 33% of Nigeria’s estimated 150 million populations. Hausa/Fulani women entrepreneurs can only be found in the informal sector of the economy this is due mainly to cultural and religious practices.

Cultural Values

In regard to customs, it has been observed that women entrepreneurs from the Javanese ethnic relatively work harder than women entrepreneurs from Sudanese ethnic from West Java. Similarly, women from Bali and North Sumatra worked harder than women from South Sulawesi (Darwin *et al.*, 1999) [4]. Besides ethnicity, women’s entrepreneurship is influenced by the habits or customs in the society. For the Javanese women, for instance, selling traditional medicine known locally as “bakul jamu” is the habit of them (Darwin *et al.*, 1999) [4]. This type of economic activity is most likely done by Javanese women, but not other ethnics group.

Statement of the Problem

Women entrepreneurs around the world are making a difference as they contribute to numerous ideas and a great deal of energy and capital resources to their communities as well as generating jobs, creation of additional work for suppliers and other spin-off business linkages. However, few studies have been conducted to explore the growth of women-owned enterprises. The few studies conducted have not explained the extent to which cultural factors influence business growth more so those owned and/or managed by women.

Most women who venture into businesses are faced by multiple challenges. Studies have concentrated on documenting these problems as challenges without linking them to how they affect growth and development of these businesses. For instance, Mwobobia (2009) [11] has examined the Challenges facing small-scale women entrepreneurs taking a general case study of Kenya. Such a study is too general since it simply examines challenges – which are numerous – without specifying on particular challenges.

Other studies done in Kenya have shown the effects of social factors on business growth. A case in point is the study by Ndeda (2013) [12] which explored the effects of social determinants on growth of business enterprises in Kisumu East Constituency. Like Mwobobia’s study, Ndeda’s research is limited by failure to identify the specific social factors. The study is also localized to a single constituency, meaning the

findings may not entirely apply to the whole country or other contexts in Kenya.

Another study has shown that marital status and family characteristics of women entrepreneurs have no significant relationship to performance (Bula, 2012) [2]. The study that informed this paper, therefore, sought to examine the extent to which cultural factors influence growth and development of small businesses owned and/or managed by women in Kericho town.

2. Materials and Methods

Descriptive research design was used in the study. The study focused on small scale businesses owned by women in Kericho town which were approximately 1,007 businesses (Ministry of Trade, Kericho). It covered all types of small scale enterprises both dealing with goods and services. Of the 1,007 business owned by women in Kericho town, 683 were informal while 324 were formal business, giving a ratio of 2:1. In total, data was collected from 286 business women.

The research utilized simple random and purposive sampling techniques to identify respondents from the target population of women entrepreneurs. Simple random sampling was used since the sample population was relatively small and clearly defined. The samples yielded research data that was generalized to the entire population. The method permitted for application of inferential statistics to the data and provided equal opportunity of selection for each element of the population. Purposive sampling was used to obtain data from businesses that were considered few for purposes of comparison.

Data collection for the study was conducted by use of questionnaires. Primary data was obtained during the actual fieldwork from the respondents. The research opted for questionnaires because it enables for collection of data from a wider population, is easy to use formulate and confidentiality is upheld (Kombo & Tromp, 2006) [6].

For data analysis the questionnaires were screened for completeness and then coded and formatted. The data was analysed by use of both quantitative and qualitative methods of data analysis. The quantitative measures were used to generate descriptive statistics to analyses frequencies and percentages. The qualitative measures were analysed by summarizing key findings, explanations, interpretations and making conclusions. The results were reported using descriptive statistics.

3. Results and Discussion

Cultural Beliefs

The study sought to identify how cultural beliefs influenced the performance of women-owned business enterprises in Kericho town. To achieve this objective, a number of items representing aspects of cultural beliefs in the questionnaire was presented to the respondents to give their scores on a Likert scale. The results were as summarized in the table below.

Table 1: Cultural Beliefs

Cultural Beliefs	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Employee relations	10(5.0%)	22(11.0%)	82(41.0%)	88(43.0%)	0(0.0%)
Business venture	0(0.0%)	9(5.0%)	21(10.0%)	143(71.0%)	29(14.0%)
Sales volume	42(21.0%)	83(41.0%)	37(18.0%)	32(16.0%)	8(4.0%)
Borrowing	122(60.0%)	19(10.0%)	31(15.0%)	16(8.0%)	14(7.0%)

Source: Research data (2015)

The findings revealed that cultural beliefs have an effect on the growth of small-scale women enterprises in Kericho town. Cultural beliefs reportedly had an effect on employee relations with the proprietors of the enterprise. Of the respondents, 43.0% of the respondents agreed and 41.0% were not sure whether or not cultural beliefs had an effect on employee relations. However, 11% of the respondents did not believe that cultural beliefs had an effect the relationship between the entrepreneur and the employees with an additional 5.0% strongly disagreeing.

Moreover, it was observed that 71.0% of the population agreed that cultural beliefs dictated the type of business the woman entrepreneur wants to establish, with only 5% disagreeing to this. Almost half (41.0%) of the total respondents did not agree that cultural beliefs had an effect on sales volume in the business, with another 21.0% of the same population strongly disagreeing. Only 16% agreed that cultural beliefs had an effect on sales volume.

The research findings further showed that many women entrepreneurs in Kericho strongly disagreed that cultural beliefs influenced borrowing of funds in financial lending institutions. This was affirmed by 60.0% of the respondents. Nevertheless, 15.0% of the population was not sure while 10.0% disagreed. On the other hand, 8.0% of the respondents agreed that cultural beliefs influence borrowing of funds while 7.0% strongly agreed.

Based on the above study findings, it is clear that cultural beliefs had an effect on the growth of small-scale women enterprises in Kericho town. Employee relations were affected by the beliefs of the women entrepreneurs. This is due to the attitudes, customs and beliefs of these women entrepreneurs.

Moreover, it was noted that cultural beliefs dictated the type of business the small-scale women entrepreneurs established. Most women entrepreneurs, due to personal customs and beliefs, ventured into their various small-scale business with these factors in mind.

Cultural beliefs did not affect sales volume in the omen-owned business. Majority of the women entrepreneurs revealed that their own beliefs did not have an impact on their day to day sales and overall sales volume. Moreover, the study found that the cultural beliefs of the small scale women entrepreneurs did not affect their borrowing of funds from the various financial institutions.

Cultural Values

The study further sought to identify how cultural values influenced the performance of women-owned business enterprises in Kericho town. To achieve this objective, a number of items representing aspects of cultural values in the questionnaire was presented to the respondents to give their scores on a Likert scale. The results were as summarized in the table below.

Table 2: Cultural Values

Cultural Values	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Business venture	0(0.0%)	19(9.0%)	11(5.0%)	92(46.0%)	80(40.0%)
Daily operations	0(0.0%)	12(6.0%)	15(7.0%)	82(41.0%)	93(46.0%)
Employee relations	12(6.0%)	20(10.0%)	27(13.0%)	121(60.0%)	22(11.0%)
Customers	93(46.0%)	79(39.0%)	30(15.0%)	0(0.0%)	0(0.0%)

Source: Research Data (2015)

The findings in Table 2 above reveal that cultural values affected the growth of small-scale women enterprises in Kericho town. Of the respondents, 46.0% agreed that cultural values determined the business venture a woman entrepreneur wants to establish. Similarly, 40.0% of the same population strongly agreed that cultural values dictated the type of business a woman entrepreneur wanted to venture into. Only 9.0% disagreed and 5.0% were not sure on this issue.

However, 46.0% of the population strongly agreed that cultural values influenced the day to day activities in the enterprise. Cultural values were also noted to influence daily operations of the business, according to 41.0% of the respondents who agreed to this. Only 7.0% of the respondents was not sure whether or not cultural values influenced the day to day activities in the enterprise and 6.0% disagreed.

More than half (60.0%) of the respondents indicated that cultural values affected employee relation in the business, with another 11.0% strongly agreeing and 13.0% were not sure. However, 10.0% disagreed and 6.0% strongly disagreed.

Majority of respondents strongly disagreed (46%) that customers were influenced by cultural values. An additional 39.0% also disagreed and 15.0% were not sure. Significantly, none of the respondents believed that cultural values affected customer response.

The study findings above revealed that cultural values influenced the type of businesses that the small-scale women entrepreneurs engaged in. The values that each individual

woman upheld, in terms of groupings and programming of the mind, influenced the type of business ventures they established.

The study further found that the day to day activities in the small-scale businesses were affected by the cultural values of the women entrepreneurs. This is because most women entrepreneurs ran their businesses according to their own way of doing things.

It was also revealed that employee relations in the business were affected by the cultural values of the women entrepreneurs. The way employees relate to one another and towards their owner/and or manager was also influenced by the cultural values of the women entrepreneurs.

The study further established that customers were not influenced by the cultural values of the women entrepreneurs. The frequency of consumption of product and loyalty of customers were not influenced by the cultural values of the women entrepreneurs.

4. Conclusion

Firstly, the study concluded that cultural beliefs as one of many cultural factors have an effect on the growth of small-scale women entrepreneurs in Kericho town. The women entrepreneurs relate with their employees according to their attitudes, customs and beliefs. The study found that most women entrepreneurs treat, reward and relate to their employees according to what they believe. Women who,

according to their customs, ascribe to certain dress codes, for instance, will require their employees to dress to their expectations. This, in the long run, will affect the growth of the business.

The type of business venture that the women entrepreneurs choose is also influenced by their cultural beliefs. Overall, most women did not venture in some types of businesses since their cultural beliefs could not allow them to. Most of the women found some businesses to be male oriented and opted not to venture in them since they are women.

The study also found that the sales volumes of most women-owned small-scale businesses are not influenced by the cultural beliefs of the women. Customers look for quality service, fair pricing and availability of goods and services but not the cultural beliefs of the women entrepreneurs. Furthermore, financial institutions do not consider cultural beliefs as part their lending criteria to the women entrepreneurs.

Secondly, the study concluded that the type of business venture that women entrepreneurs choose is influenced by their cultural values. In general, most women do not venture into some types of businesses because their cultural values may not allow them. Most of the women have been brought up to think that some businesses are male oriented.

Cultural values also influence the day to day activities in the enterprise. Most women entrepreneurs are married and have families, hence they are expected to first attend to household activities before business chores. Most family responsibilities fall heavily on women. This influences the daily operations of their businesses.

Moreover, cultural values affect employee relations in the women-owned businesses. Most women entrepreneurs' cultural values dictate their relations with employees on such issues as the appropriate dress code, the language to use, work behaviour and customer relations.

5. Recommendations

The study recommends that small-scale women entrepreneurs in Kericho town should be involved in entrepreneurial training. Most of the women entrepreneurs are not sufficiently training in even the most basic business knowledge. The county government of Kericho should, therefore, come up with training seminars to impart knowledge and necessary skills in women entrepreneurs.

Despite the fact that cultural beliefs and values dictate the type of businesses that woman entrepreneurs establish, women should be encouraged to do more in society by venturing into businesses that are culturally viewed as the preserve of the male gender like construction, consultancy, engineering, among others. The government should put in place policies to enable women to venture into all types of businesses as well as give them incentives in form of special funds for women entrepreneurship activities.

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