

Women Micro and Small Enterprises as a Platform for Human Development in Kenya: A Case of Kisumu City

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Abstract

Micro and Small Enterprises (MSEs) are contributing a lot to the Kenyan national development in general and human development in particular. However, it was observed that many of the women MSEs in the informal sector of Kisumu city are performing poorly. Nevertheless, limited use of strategic management practices has been cited as one of the main causes of poor business performance. This study therefore investigated the best strategic management practices of women MSEs and their effect on human development. Best strategic management practices investigated were: closing time, locus of planning, planning horizon, change in government regulations, and possession of a business plan, stock, change in technology, creditors, sales, debtors, competitors, profits and opening time. A cross sectional survey design was used and systematic random sampling employed to collect data from the women MSEs in Kisumu city. Descriptive statistics, correlation analysis and linear probability model were used to analyze the collected data. The results revealed that most of the women in Kisumu city are literate and have at least attained primary level of education. The study established that strategic management practices of women MSEs have a significant effect on human development. However, few women MSEs apply best strategic management practices. The study also shows that the women who keep records of their business transactions and involve their employees in their business planning process have high chances of improving their livelihoods by buying land, building permanent houses, getting business premises, and joining Savings and Credit Co-operative Societies (SACCOs). The study recommends that the Kisumu County government, church leaders, civil society groups and Non-Governmental Organizations should organize workshops and seminars to sensitize women entrepreneurs on the best strategic management practices. Microfinance institutions should be prevailed over to give loans at reasonable interest rates to prospective women entrepreneurs.

Keywords: Entrepreneurship, Human Development, informal sector, MSEs, SACCOs, and Best Strategic Management Practices.

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Introduction

Women are often sidelined in key human development, yet they make vital contributions to the world economies. According to Purt and Still (2014) investing in women has a significant effect in the development. Women use their incomes and bargaining power to invest in their families and societies creating a ripple effect in human and economic development. Women entrepreneurs in developing countries more often than not have a high challenge in human development than their counterparts in the rich world. Usually, women face challenges because of traditional male-dominated business culture, combined with limited access to finance. But a new crop of women enterprises is starting to break through even in the developing world.

The MSEs Baseline Survey of 1999 showed that Kenya women enterprises accounted for 47 percent of all the registered micro and small enterprises (MSEs) as compared to 52 percent of male enterprise (Central Bureau of Statistics, 1999 and Stevenson and St-Onge 2005). The survey findings further revealed that women always operate smaller enterprises associated with traditional women's roles for example hairdressing, restaurants, hotels, retail shops etc. Ogbor (2009) points out that micro-businesses are normally family businesses or self-employed persons operating in the semi-formal and informal sectors with very little chance of growing into large scale businesses, accessing bank loan, or becoming internationally competitive.

According to Richardson *et al* (2004) informal businesses are those enterprises that are not registered nor licensed by government institutions in their countries, while Nabuteya (2007) describes informal sector as consisting smaller traders doing businesses like selling second hand clothes, shoe shinning, selling of food stuffs, constructions and repair of buildings, masonry, carpentry and traders operating mainly from the streets. The Kenya informal sector is referred to as '*jua kali*', which literally means fierce sun in Swahili language. It is an expression used to describe the conditions in open air or temporary shelters under which many businesses in the informal sector operate in (Antoine 2004). Small businesses in the informal sector are diverse in nature as they include a wide variety of businesses in retail, manufacturing and service industries.

Furthermore, the operators possess a wide range of sophistication and skills and operate in very different markets and social environments (Ogbor 2009). Micro enterprises in Kenya have been defined as businesses employing up to ten workers, including the working owner while small businesses are those businesses employing more than ten but less than fifty workers. The term MSEs therefore covers a range of establishments including informal sector activities (Central Bureau of Statistics 1999). The focus of this study was on women MSEs in the informal sector in Kisumu city.

Stevenson and St-Onge (2005) identified three categories of women businesses in Kenya namely: jua kali micro-business and very small businesses having between 6-10 employees, small businesses having over 10 employees, and women with university education, who came from entrepreneurial family backgrounds. However they argue that the micro businesses owned by women are often in the informal economy. Further, the women operating micro businesses have less than secondary education and lack entrepreneurial skills, business knowhow, access to credit, and are unaware of markets and market opportunities (Litondo, 2013). Nonetheless, those women with very small and small businesses have a minimum of secondary education and have experience gotten from formal employment in the public or private sector. Many are supported by their husbands who may be directly or indirectly involved in the business. The women with university education come from entrepreneurial family backgrounds have experience in managerial positions in the corporate world, access to financial means and supportive husbands (Purt and Still, 2014).

Many research findings in Kenya indicate that MSEs are contributing significantly to the national development of the country. The findings of the 1993 MSE baseline survey showed that MSEs play a critical role in Kenya's development, particularly context of generating employment and income opportunities the people at the bottom of the pyramid (Central Bureau of Statistics, 1999). Mutai (2011) further stated that the promotion of the MSE sector in Kenya is a viable and dynamic strategy for achieving national goals including employment creation and wealth creation. Nabuteya (2007) argued that MSEs provide employment to many young people including those losing jobs due to retrenchment and privatization. According to the national MSE baseline survey in Kenya there are about 1.9 million people working in the informal economy also known as "invisible workers" (Central Bureau of Statistics, 1999). Among these "invisible workers" there were a number of women running micro-businesses from their homes (Stevenson and St-Onge, 2005). The survey also indicated that 75% of the invisible workers are women in the service industry.

Entrepreneurship

Entrepreneurship is the process of incubating new ideas and starting businesses based on those ideas (Holt 2004). According to Cantillon entrepreneurship is the process of exchange for profits whereby entrepreneurs organize resources and take risks by buying commodities at a certain price and selling at an uncertain price. He specified traders as entrepreneurs. Kirzner says that entrepreneurship is alertness to profit opportunities, while Schumpeter says that entrepreneurship precipitates human development. There is a problem of identifying a clear difference between entrepreneurship and small businesses.

According to Holt (2004) the term entrepreneurship may be properly applied to those who incubate new ideas, start businesses based on those ideas, and provide add value to their products through their independent initiative. He further stated that individuals who simply substitute income by leaving jobs to operate local stores or service businesses are described as small businesspersons. Carland *et al* (1984) argued that MSEs do not engage in new markets or innovative practices, they establish and manage a business for furthering personal goals. In contrast, entrepreneurs establish and manage unique businesses with the principal purpose of making a profit and growth. They emphasized the fact that entrepreneurs are characterized by innovative behavior employment of best strategic management practices.

Ogbor (2009) defined an entrepreneurial MSE as one that identifies and evaluates an opportunity, develops a business plan, decides the resources to be used when exploiting the opportunity, understands indicators of success, develops appropriate strategies, implements the business plan, establishes control systems and develops plans for managing growth. Drucker (2007) supported this line of argument by stating that what qualifies an MSE to be entrepreneurial is the application of management concepts and strategies. Dignard and Havet (1995) defined a woman entrepreneur as a female who is able to observe the environment, identify opportunities to improve it, marshal resources and implement action to maximize those opportunities – in other words, someone who is able to organize, manage and assume the risk of running an enterprise. Ogbor (2009) described an entrepreneur as one who engages in strategic management practices. Bloom and Van Reenen (2006) argued that well managed businesses which employ best management practices, perform better than those which do not. This study was anchored on the Schumpeterian school of thought which describes entrepreneurs as prime movers of human development, and Peter Drucker's theory which states that entrepreneurs apply strategic management concepts and techniques to bring about change in their businesses.

Strategic Management Practices

Barringer and Bluedorn (1999) explain that business strategic management practices facilitate entrepreneurial behavior in a firm which are: environmental scanning (identification of business opportunities and threats); flexibility in planning (adaptability to the environment); planning horizon (short or long term planning); locus of planning (incorporating employees in planning process); and control attributes (record keeping), this is an evaluation of strategies to see if they meet predetermined goals which could be financial, for example, return on sales or non-financial such as customer satisfaction.

In addition, Wickham (2006) points out that if the entrepreneur is to remain in control of the organization and its opportunities then he/she must take control of its strategy. He adds that a strategy for the organization is the need to act and represents the road that the entrepreneur will use to achieve his/her vision. Vision, mission, philosophy and strategy implementation are necessary in the entrepreneurial process because they are capable of turning the desire of the entrepreneur into reality. Ogbor (2009) observed that the success stories of the world's entrepreneurs have business strategic plans of action which are used in their operations. Barringer and Bluedorn (1999) explained that a firm's entrepreneurial intensity is influenced by the nature of its strategic management practices because strategic management practices shape the organization behavior.

Human Development

Human development is a well-being concept within a field of livelihood development. It involves studies of the human condition which lead to better livelihoods. In this study human development is the means of securing the basic needs. Desired livelihood is described by a set of activities involving securing these needs to acquire assets required for a better living condition (Ntale, 2013). The UNDP report (2004) defined human development as a process of increasing peoples' choices, namely, to lead a long & healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living. While, Kenya National Human Development Report (2010) stated that the aim of human development process is to enrich the lives of the people. Panda and Agarwal (2005) explain human development as a process of expanding the freedoms that are enjoyed by the people and this will be possible if the sources that inhibit freedom are removed. Human development should be evaluated not only in terms of the people's incomes or the wealth of the nation but also in terms of the advancement of human capacities. Gries and Naude (2010) explained that human development requires that people be active in their lives with an agency. If agency is missing then entrepreneurship may no longer function. The concept of agency is central to entrepreneurship because it relates to entrepreneurial ability and confidence of people to identify an opportunity and exploit it. However, human entrepreneurial agency is always limited by circumstances in a country or region. Circumstances in a country limit agency by limiting peoples' self confidence and self-esteem.

Women Development

Women play a key role in the family, the community, and the social organizations. They contribute two-thirds of the world's work, produce more than 80 percent of world's food, provide for and raise future generations, yet in most cultures women have been marginalized and relegated to second hand citizens who are left with limited means to survive and thrive (World Bank, 2011).

Researches done world over show that women have limited property ownership and opportunity in life. Violence, oppression, and discrimination have been emitted to women all over the world. Despite various calls by human rights activists and non-governmental organizations to abolish discrimination of women, there are still numerous incidences that indicate that women are still marginalized (Duflo, 2011). This is the setting of the study on women development. Women Development is the integration of women into the mainstream economies by improving their status and assisting them in their livelihoods (D'Agostino, and Helisse 2010). The role of women in development is highlighted more in agro-economies where they lack recognition for their crucial contribution.

Joekes (1990) reported that a special division was established for women to participate in development, and promote concrete action to ensure that they participate in UNDP projects. Women in Kisumu city are faced with situations that compromise their freedoms and this leaves them with limited choices in life. This situation of women goes against the argument that human development expands people's choices. Gries and Naude (2010) describe human capabilities as a person's ability to achieve certain goals in life which contribute to human wellbeing which include; being self-reliant, human capital, being healthy, social capital, self-actualization, self-esteem, etc. Women in their households are faced with situations where their freedoms are inhibited and this inhibits their capabilities. Women risk physical and psychological marital violence by their spouses which limits their capabilities. These situations in which women find themselves goes against the argument that human development is understood to mean a process of expanding the freedoms that are enjoyed by the people and advancement of capabilities (Litondo, 2013 and Purt and Still, 2014). Microfinance Institutions (MFIs) are widely believed to help the marginalized communities like women. They are touted as the poor women's saviour from the high interest rates charged by commercial banks. Women are widely using MFIs to finance their MSEs, however, The Central Bank of Kenya (CBK) contradicted the notion that the MFIs are for pro-poor because some commercial banks were giving better interest rates than those of MFIs (Omondi, 2015).

Micro and Small Enterprises

Women MSEs in Kisumu City are performing poorly as compared to their male counterparts and this has been attributed to lack of credit, saving, education or training, and social capital. It is however still unclear of the role played by women MSEs on human development. Little information is available on this front partly owing to the fact that most of the women MSEs fall within the informal sector (Ocholah, *et al.* 2013). Beaver (2007) explained that one of the reasons for poor performance of MSEs is lack of effective management practices which rely mainly on founders' instinct, intuition and impulse.

The importance of the use of strategic management practices in business establishments has always been the emphasis of big and well established businesses. However this could also be determined in small businesses by analyzing the relationship between strategic management and business performance. There is very little or no emphasis of the role of strategic management practices in small businesses. This study will investigate the entrepreneurial behavior of women involved in micro and small businesses which is facilitated by strategic management practices. Successful small firms practice strategic management either consciously and visibly or unconsciously and invisibly (Jennings and Beaver 1997). The major concern of Mosiah (2008) is that most studies on strategic management have focused on large businesses ignoring the MSEs. He suggests that research be conducted to establish the best strategic management practices for MSEs. Osotimehin (2012) observed that lack of managerial skills contribute to poor performance of MSEs in Nigeria. The main objective of this study was to establish the influence of women MSEs in Kisumu City on human development.

Methodology

A cross sectional survey design was followed to carry out this study in three constituencies of Kisumu city with an estimated population of 968,909. Women entrepreneurs for this study are females involved in selling maize; selling vegetables; selling second hand clothes; selling charcoal; selling fruits; retail shops operators' e.t.c. in the markets were the respondents. The city consists of Kisumu Town West constituency, Kisumu Town East constituency and Kisumu Central constituency where the data was drawn. Kisumu Town West constituency has the following markets: Ojola, Holo, Chulaimbo, Kisian, Otonglo and Obambo. Kisumu Town East constituency has the following markets: Kibos, Chiga, and Nyamasaria. Kisumu Central constituency has the following markets: Kibuye, Oile and Municipal market. Systematic random sampling was employed to identify the respondents. A sample of 385 women entrepreneurs was drawn from the targeted population where questionnaires were administered.

Descriptive statistics, correlation analysis and linear probability model were used to analyze the results of the study. The statistical software SPSS was used as a tool to analyze the data. The following regression model was used to analyze the data:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where: Y = Human Development Variables; X_1 are strategic management practices variables, X_2 are personal characteristics and X_3 firm characteristics. β_0 = is the Constant and $\beta_1 - \beta_3$ are the coefficients of the regression model of human development while ε – is the error term. The coefficient parameters of the model were estimated by Ordinary Least Squares (OLS) and the results.

Key Results and Research Findings

Descriptive Analysis

The research established that 92% of the women operate retail businesses, 2% percent were operating wholesale business, 5% were working in the service business and only 1% of the women had businesses in the manufacturing sector. Retail businesses that the women operate include; pharmacy shops, vegetable vending, selling potato chips, mats, stationery, charcoal, old second hand clothes, fish, fruits, groceries and airtime. Service industry businesses that the women operate include; hotel food kiosks, Equity bank and Safaricom agents and salons for hairdressing. Manufacturing businesses include; tailoring, furniture making and maize-mill. The study found out that women are not using strategic management practices. 84% of the women did not have a business plan and therefore they could not change their business plans in line with changes in technology and government regulations. 12% of the respondents access business information from capacity building through self-generated knowledge, by way of experience, by way of observing what others are doing and by way of attending seminars and workshops.

The majority of the women do not change their business plans according to the environment with, for example changes in technology and changes in government regulations referred to as planning flexibility. The majority of women had no business plans for their businesses. 16% of the women change their business plans according to the environment. 39% of the respondents took less than 6 months to plan for their business, while 10% took 2 years and more to plan for their business. 90% of the women do not discuss business plans with employees since they operate the businesses themselves with no workers while only 10% of the respondents do. 27% of the respondents keep regulations on opening time for business, 25% keep regulations on closing time of the business, 14% keep regulations on lending out money, 19% of the respondents keep regulations on reporting time to begin work and 15% of the respondents keep regulations on borrowing money. The women do not involve their employees in the planning process of the business. Only 10% of the women discuss their business plans with their employees. Planning flexibility is a strategic management practice that increases significantly the chance of women getting a business premise.

The research findings show that keeping records on stock and locus of planning are strategic management practices that increase the probability of women buying land, building a permanent house and getting a business premise. Contrary to literature, 69% of the women, said culture is not a challenge to doing business. 3% of the women said government regulations affect their business to very large extent. 25% of the women said Government regulations do not affect their business plans. 18% of the women said transportation affects their business to a large extent, while 37% said it has no effect on their businesses.

71% of the women said electricity is not a challenge to the way they do business. 69% of women said water is not a challenge to doing business. Surprisingly, 47% of the women said funding is not a challenge to doing business. 45% of the women said security does not affect the way they do business, while 32% said it was. 26% of the respondents said that the businesses helped them to build a permanent house. 50% said that the businesses helped them to build a business premise. 5% said that the businesses they are engaged in helped them to acquire other things like cattle, goats, pay for the house rent and buy household items like plates, cups, furniture etc. 37% of the respondents said they were able to educate their children. 46% of the respondents said they were able to pay for their health expenditures and 17% said they were able to pay for their entertainment expenditures. The results show that 59% of the respondents their businesses helped them to join associations like merry go-round

Correlation analysis

Correlation analysis was used to estimate the degree of association between women MSEs and human development determinants.

Table 1: Correlation of Some Selected Variables

		Correlations											
		Age of Respondents	Level of Education	Duration of Current Enterprise	Possession of a Business Plan	Locus of Planning	Time Spent in Business	Stock	Profits	Change in Technology	Physical Capital - Land	Social Capital - SACCO Membership	Human Capital - Education of Children
Age of Respondents	Pearson Correlation	1	-.040	.069	.023	-.035	.008	.139**	.104	.001	.091	.056	.020
	Sig. (2-tailed)		.451	.197	.674	.516	.887	.009	.052	.987	.090	.295	.711
	N	350	350	350	350	350	350	350	350	350	350	350	350
Level of Education	Pearson Correlation	-.040	1	.087	-.106*	-.013	.024	-.080	-.138**	-.157**	-.003	.031	-.130*
	Sig. (2-tailed)		.451	.104	.048	.806	.654	.133	.010	.003	.956	.563	.015
	N	350	350	350	350	350	350	350	350	350	350	350	350
Duration of Current Enterprise	Pearson Correlation	.069	.087	1	-.084	-.055	.014	.209**	.231**	-.180**	.057	.119*	.053
	Sig. (2-tailed)		.197	.104	.117	.308	.798	.000	.000	.001	.291	.026	.325
	N	350	350	350	350	350	350	350	350	350	350	350	350
Possession of a Business Plan	Pearson Correlation	.023	-.106*	-.084	1	.420**	-.024	.151**	.122*	.188**	.055	.220**	.064
	Sig. (2-tailed)		.674	.048	.117	.000	.650	.005	.022	.000	.304	.000	.229
	N	350	350	350	350	350	350	350	350	350	350	350	350
Locus of Planning	Pearson Correlation	-.035	-.013	-.055	.420**	1	-.061	-.010	-.033	.143**	.048	.090	.003
	Sig. (2-tailed)		.516	.806	.308	.000	.259	.857	.534	.007	.369	.092	.956
	N	350	350	350	350	350	350	350	350	350	350	350	350
Time Spent in Business	Pearson Correlation	.008	.024	.014	-.024	-.061	1	.046	.059	.089	.082	.148**	.029
	Sig. (2-tailed)		.887	.654	.798	.650	.259	.393	.271	.095	.126	.006	.584
	N	350	350	350	350	350	350	350	350	350	350	350	350
Stock	Pearson Correlation	.139**	-.080	.209**	.151**	-.010	.046	1	.931**	.280**	.351**	.741**	.433**
	Sig. (2-tailed)		.009	.133	.000	.005	.857	.393	.000	.000	.000	.000	.000
	N	350	350	350	350	350	350	350	350	350	350	350	350
Profits	Pearson Correlation	.104	-.138**	.231**	.122*	-.033	.059	.931**	1	.261**	.327**	.690**	.465**
	Sig. (2-tailed)		.052	.010	.000	.022	.534	.271	.000	.000	.000	.000	.000
	N	350	350	350	350	350	350	350	350	350	350	350	350
Change in Technology	Pearson Correlation	.001	-.157**	-.180**	.188**	.143**	.089	.280**	.261**	1	-.086	.378**	.121*
	Sig. (2-tailed)		.987	.003	.001	.000	.007	.095	.000	.000	.110	.000	.023
	N	350	350	350	350	350	350	350	350	350	350	350	350
Physical Capital - Land	Pearson Correlation	.091	-.003	.057	.055	.048	.082	.351**	.327**	-.086	1	.474**	.152**
	Sig. (2-tailed)		.090	.956	.291	.304	.369	.126	.000	.000	.110	.000	.004
	N	350	350	350	350	350	350	350	350	350	350	350	350
Social Capital - SACCO Membership	Pearson Correlation	.056	.031	.119*	.220**	.090	.148**	.741**	.690**	.378**	.474**	1	.321**
	Sig. (2-tailed)		.295	.563	.026	.000	.092	.006	.000	.000	.000	.000	.000
	N	350	350	350	350	350	350	350	350	350	350	350	350
Human Capital - Education of Children	Pearson Correlation	.020	-.130*	.053	.064	.003	.029	.433**	.465**	.121*	.152**	.321**	1
	Sig. (2-tailed)		.711	.015	.325	.229	.956	.584	.000	.000	.023	.004	.000
	N	350	350	350	350	350	350	350	350	350	350	350	350

** . Correlation is significant at the 0.01 level (2-tailed).

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

The results show that there is a strong correlation between the age of respondents and keeping records on stock; the level of education of the women and keeping records on profits; possession of a business plan and locus of planning; possession of a business plan and joining Savings and Credit Corporations (SACCOs) membership; locus of planning and change in technology; time spent in business and joining SACCO membership; keeping records on stock and change in technology; keeping records on stock and buying a land; keeping records on stock and joining SACCO membership; keeping records on profits and joining SACCO membership; and keeping records on profits and educating children. The p – values of the bivariate analysis are all zero, which suggests the rejection of the null hypothesis that there is no association between women MSEs and the selected human development determinants as indicated in the correlation table 1.

Regression Analysis

Regression model was used to estimate the effect of women MSEs on human development in Kisumu City. The regression results in table 2 show that women who keep records on stock increase their chances of buying land by 42% ($t = 3.079$). Those women who involve their employees in the planning of business increase their chances of buying land by 8.8% ($t = 1.565$). All the other strategic management practices have no effect on someone buying land. Those who keep records on stock increase their chances of building a permanent house by 16.7% ($t = 1.831$). Those who change their business plans in line with government regulations increase their chances of building a permanent house by 72.8% ($t = 10.398$). Those keep records on stock increase their chances of getting a business premise by 59.8% ($t = 6.025$). Those women who change their business plans in line with government regulations increase their probability of building a business premise by 26.8% ($t = 3.512$). Those who keep records on stock increase their chances of joining SACCO membership by 64.9% ($t = 6.794$). Those women who change their business plans in line with government regulations increase their chances of joining SACCO membership by 23.3% ($t = 3.168$). Those women who keep regulations on opening time of business increase their chances of joining associations like merry go-round by 56.8% ($t = 1.538$).

Table 2: The Effect of Women MSEs on Human Development, OLS Estimates (Absolute *t*-Statistics in parentheses)

Human development	CON	CT	LP	PH	CGR	PBP	St	CI <i>t</i>	Cr	Sa	De	Co	Pr	OT	R2	P-Value	F-Statistic	N
Buying Land	.004 (0.086)	.007 (.039)	-.015 (.285)	.088 (1.565)	-.307 (2.723)	-.006 (.424)	.420 (3.079)	.007 (.032)	.072 (.301)	- (.046 (.288)	.054 (.301)	- (.013 (.069)	-.002 (.006)	.001 (.003)	.186	.000	5.887	384
Permanent House	.010 (.261)	.008 (.060)	.027 (.680)	-.021 (.225)	.728 (10.398)	-.007 (.651)	.167 (1.831)	-.004 (.025)	.133 (1.831)	- (.011 (.092)	.017 (.132)	- (.004 (.027)	-.003 (.010)	-.004 (.016)	.638	.000	45.580	384
Business Premise	-.005 (.092)	.009 (.055)	.103 (1.896)	-.066 (.525)	.268 (3.512)	-.009 (.596)	.598 (6.025)	-.022 (.106)	.050 (.290)	- (.036 (.224)	.053 (.290)	.013 (.065)	.013 (.041)	-.003 (.010)	.570	.000	34.266	384
SACCO Membership	-.030 (.612)	- (.003 (.019)	.101 (1.904)	-.054 (.446)	.233 (3.168)	.003 (.200)	.649 (6.794)	-.026 (.131)	.653 (6.794)	- (.029 (.184)	.039 (.220)	.029 (.158)	.027 (.083)	-.014 (.043)	.601	.000	39.004	384
Merry-go-round	.611 (15.834)	.005 (.038)	.042 (.994)	-.016 (.164)	.006 (.073)	-.005 (.406)	-.009 (.180)	-.008 (.053)	-.009 (.114)	.007 (.058)	- (.003 (.022)	.003 (.023)	.394 (1.538)	.568 (1.538)	.329	.000	12.663	384
Education of Children	.532 (13.547)	- (.005 (.039)	.026 (.601)	-.011 (.115)	.007 (.078)	.005 (.419)	.019 (.356)	-.009 (.052)	-.004 (.058)	- (.007 (.056)	.008 (.055)	.014 (.091)	.463 (.030)	.631 (1.777)	.379	.000	15.804	384
Health Care	.988 (43.575)	- (.017 (.218)	-.121 (4.900)	.092 (2.347)	-.026 (.505)	.016 (4.900)	-.079 (2.587)	.579 (7.333)	.034 (.753)	.025 (.346)	- (.045 (.543)	- (.007 (.075)	-.004 (.025)	-.004 (.028)	.537	.000	30.030	384

Key: CON (constant), CT (closing time), LP (locus of planning), PH (planning horizon), CGR (change in government regulations), PBP (possession of a business plan), St (stock), CI*t*(change in technology), Cr (creditors), Sa (sales), De (debtors), Co (competitors), Pr (profits) and OT (opening time).

Those who keep regulations on opening time increase their chances of educating their children by 63.1% ($t = 1.777$). Those who spend time planning for the businesses increase their chances of spending on health care by 9.2% ($t = 2.347$). Those who do not embrace change in technology reduce their chances of spending on healthcare by 57.9% ($t = 7.333$). Those who do not have a business plan reduce their chances of affording health care by 21% ($t = 4.900$). Interestingly, involving employees in business plans reduces the chance of one spending money on health care by 11% ($t = 2.58$).

Conclusion and Recommendations

Micro and Small Enterprises (MSEs) are small businesses employing 10 people or less while small enterprises are those that employ between 10 and 50 employees.

Most MSE owners are primarily interested in earning a living to support themselves and their families. MSEs are contributing a lot to the Kenya national development in general and human development in particular. MSEs which practice best strategic management formulate and implement their goals and plans successfully. The strategic management practices which were investigated by this study were: closing time, locus of planning, planning horizon, change in government regulations, possession of a business plan, stock, change in technology, creditors, sales, debtors, competitors, profits and opening time.

These practices are guided by the consideration of resources and assessment of internal and external environments in which MSEs operate and these lead to efficiency and effectiveness. Most of the women operating MSEs in Kisumu City do not employ best strategic management practices. Literature tells us the limited use of best management practices a hindrance to MSEs is performance. The study shows that women entrepreneurs have limited access to electricity, water, transport even funding. The investigation indicates that record keeping comes out to be a strategic management practice that has a big influence on human development. It is also established that change of business plan according to government regulations and regulations on opening time have a positive influence on human development. The research found out that the majority of women entrepreneur operate retail business and very few are involved in manufacturing business sector. The majority of women operating MSEs are not even aware of the best strategic management practices to use in their businesses. Women MSEs in Kisumu City need to be trained in best strategic management practices since these practices have an effect on their human development and their livelihoods. Further, research needs to be done on the effect of entrepreneurship on rural and urban livelihoods in general since, this study only investigated urban women MSEs.

Women's human and social capital should be investigated to unravel their potential and give viable advice to women entrepreneurs. Studies should be done to address the issue of why few women are operating businesses in manufacturing sector which is the bedrock of entrepreneurship. Women MSEs should be facilitated by providing them with adequate resources that would enable them expand their businesses. This would upscale the operation of women MSEs in the country. Women MSEs should be encouraged to form groups to increase their bargaining power in business by joining associations like SACCOs and merry-go-round. Research needs to be done for women operating MSEs in rural and urban areas in Kenya to give broader perspective of women entrepreneurship.

Policy should be put in place to control the interest rates charged by MFIs in order to facilitate many more women entrepreneurs to borrow and mitigate exploitation by pro-profit MFIs.

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