

**ENTREPRENEURIAL ORIENTATION AND PERFORMANCE OF SMALL-  
SCALE FARMING BUSINESSES IN KISII COUNTY, KENYA**

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**18J03DMBA016**

**AN APPLIED RESEARCH SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS  
ADMINISTRATION DEGREE IN THE BUSINESS SCHOOL OF AFRICA  
NAZARENE UNIVERSITY**

**JUNE 2021**

**DECLARATION**

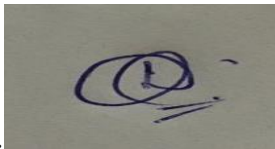
I declare that this Research is my original work and has not been presented for the award of a master's degree in any other university.

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**SUPERVISOR'S DECLARATION**

This Research has been submitted for examination with my approval as University supervisor.

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## **DEDICATION**

I dedicate this work to my beloved parents Mr. Dick Machuki and Mrs. Cecilia Machuki to my sister Fenny Machuki, my brother Joel Machuki and to my daughter Gracious, for the sacrifices they made to enable me complete this Research. Their love, care and continuous support that inspired me to achieve this goal cannot be taken for granted.

## **ACKNOWLEDGEMENT**

I am highly grateful to the almighty God for endowing me with grace and power to realize my academic potential. Special thanks go to my supervisor Dr. Lucy Kinyua of Africa Nazarene University because the success of this work would not have been possible without your keen and dedicated supervision and direction.

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## ABSTRACT

In the Kenyan economy, entrepreneurial activities are considered as a significant way to address the prevalent high levels of poverty and unemployment. The Micro and Small Enterprises sector is regarded as the driving force to spur economic growth, innovation and job creation. Given that the economic system generally depends on farming, small-scale farming businesses are critical and need to be cultivated for the general growth and development. In this regard, most of the farmers who engage in small-scale farming businesses ought to be supported by the respective governments in information, farm inputs, marketing and product development. For the purpose of this study, the researcher sought to establish the effect of entrepreneurial orientation on the performance of small-scale farming businesses focusing on risk taking, innovativeness and pro-activeness and their respective effect on performance of small-scale farming businesses in Kisii County Kenya. The study was conducted at Kisii County with a total population of 227, 840 small-scale farmers and a sample size of 400 respondents. The researcher used a cross-sectional research design while the sample size was picked using Krejcie and Morgan sampling table. The simple random sampling procedure was used to collect data from various sub-county respondents and both structured and unstructured questionnaires were administered. Once data was collected, it was entered into the Statistical Package for Social Sciences Computer Package for data processing. Data analysis included descriptive statistics where the findings established that risk taking had a great influence on the performance of the small scale farming businesses in Kisii County. The study findings also depicted that innovativeness and Pro-activeness were critical for the performance of small scale farming businesses in Kisii County Kenya. However, the findings of this study indicated that the entrepreneurs from the target population lacked necessary knowledge, skills and accessibility to resources which has hindered the growth of their businesses regardless of enough experience in their respective areas of business. Further, the study recommended areas of further research study to be done on medium sized businesses and partnerships in Kisii County and pastoral regions. In addition to the recommendation, the government should create knowledge-based orientation for skilled and semiskilled businesses to improve creativity and sharing of technological resources with the objective of improving performance. Further studies were recommended to be done in different regions such as pastoral areas and other arable regions of the county in order to establish the validity of these findings.

## DEFINITION OF TERMS

**Entrepreneurial Orientation:** Entrepreneurial Orientation (EO) refers to a process and decision-making style of organization that exploits opportunities that competitors cannot pursue. In this research Entrepreneurial Orientation is used as an independent variable which is a combination of innovativeness, pro activeness and risk taking in a business in order to achieve high results and be successful.

**Risk Taking:** Risk taking refers to a firm's tendency to engage and the willingness to commit significant resources to opportunities with uncertain outcome. It is a reflection of activities of entrepreneurial firm such as incurring heavy debts or making large resources commitment in the interest of obtaining high returns by seizing opportunities in the market place. It does not mean making reckless decisions but reasonable awareness of the risk for the business to increase profits like financial risks, personal risks and management risks.

**Innovativeness:** It means introducing new ideas to the business. For the purpose of this research, it refers to the ability think and act independently by trying new ways, which are different from the existing ones through creativity and experimentation. For purposes of this research innovativeness can be measured through embracing new technology, venturing into new markets and introducing new products for better performance.

**Pro-activeness** –Pro-activeness means taking the initiative of making major changes ahead of the competitors by strategically eliminating operations that are in the declining stage of the business life cycle by desiring to be pioneers in emerging opportunities. For purposes of this research, Pro-activeness is taking a leadership position to change the current business status by predicting future business trending through the exploitation of existing opportunities.

**Performance of small scale business** – this is outcome as a result of the business operation.

In this research performance is measured by the profits the business earns within a given duration of time. Performance is also measured by efficiency of supply of goods, financial viability and market share.

**ABBREVIATIONS AND ACRONYMS**

**EO** - Entrepreneurial Orientation

**FAO** – Food and Agriculture Organization

**GOK** – Government of Kenya

**SPSS** – Statistical Package of social Sciences

**KNBS** – Kenya National Bureau of standards

**NACOST** - National council of science and Technology

**CEC** – county Executive Committee

## **CHAPTER ONE: INTRODUCTION AND BACKGROUND OF THE STUDY**

### **1.1 Introduction**

This chapter contains the background of the study, which encompass the identification, and explanation of the research gaps that exist with regard to the topic of this study, Background of the study, statement of the problem, objectives of the study, research questions, and significance of the study, scope of the study, limitations, delimitations, assumptions and the conceptual framework.

### **1.2 Background of the Study**

In the recent past, entrepreneurship has emerged to be a key driver in the economy by playing a critical role in job creation, turning inventions into innovations and generally adding value into lives of people by improving their living standards (World Bank, 2014). Initially, entrepreneurship was viewed to be grand businesses with sophisticated managerial practices, required big start-up capital with the entrepreneur considered as a risk taker but today, it has emerged to be wide in scope. Entrepreneurship now includes even the small businesses and new firms, which not only considers the risk perspective but also solution for the existing problem (innovation) and pro-activeness (Mwangi & Ngugi, 2014).

#### **1.2.1 Performance of small scale Farming businesses**

The relationship between entrepreneurship and firm performance has received considerable attention in the organizational and entrepreneurial literature over the last two decades. However, the magnitude of this relationship seems to vary across studies. Some studies reveal that businesses adopting EO perform better than those who do not adopt EO (Wales et al., 2011; Wiklund and Shepherd, 2003). Most studies find a positive performance relationship. In Strength of this relationship varies significantly across various studies and contexts (Wales et

al., 2011). In this study the researcher will be measuring performance using Number of employees in the business, efficiency in terms of delivery and profits gained within a given duration of time.

### **1.2.2 Entrepreneurial Orientation**

According to Soininen, (2015), Entrepreneurial Orientation plays a critical role in the establishment and sustainability of these emerging small-scale businesses. This is because it has been acknowledged that this orientation determines the growth of a business and its profitability. Entrepreneurial orientation is characterized by risk taking, pro-activeness and innovativeness; has been highly linked to high rate of business growth, superior performance and longevity Rua (2018). Magaji (2014) on the other hand, acknowledges that one way of assessing an entrepreneur's chance of success is by establishing the entrepreneurial orientation of that particular individual. Entrepreneurial orientation (EO) is the strategy making processes that provides the basis for entrepreneurial decision and actions (Ramjugemath, 2015).

Today's dynamic business environment requires a firm to regularly innovate, take risk into account, give room for autonomy, be proactive, and aggressively compete to maintain or find a new position in the market place (Omisakin et al. 2016).

#### **1.2.2 .1 Risk taking and performance of small scale farming businesses**

According to Mwangi (2014) risk taking is an indication of Entrepreneurial Orientation. On the same study Mwangi observed that organizations and executives face three types of risks in businesses that is Business risk, financial risk and personal risks. Financial risks are related to heavy borrowing or committing to a significant amount of resources for growth while business

risks relate to entering into untested markets or committing to technology that is yet to be proven. Okayo et al (2016) proves that moderate risk taking propensity would associate with high levels of performance. In this study, risk taking is measured if it influences small scale farming businesses through performance in terms of profitability, efficiency and number of employees in the businesses in a business.

#### **1.2.2.2 Innovativeness and performance of small scale farming businesses**

Covin and Slevin (1989) define innovativeness as the firm's propensity to engage in new idea generation, experimentation, and research and development activities. Innovativeness is also defined as a firm's ability and attempt to engage in new ideas or to innovate and create processes that may result in new products (Rauch et al. 2009). Innovativeness is a crucial part of firm survival strategies (Omisakin et al. 2016). A number of research has found a positive relationship between innovation and firm performance (Rauch et al. 2009; Justine et al. 2005).

#### **1.2.2. 3. Pro-activeness and performance of small scale farming businesses**

Pro-activeness is the creation of demand. It is related to taking the initiative and first move advantage by anticipating and pursuing new opportunities. According to Okeyo et al (2016) Pro-actives determines performance and success of a business. The development of market share, leadership and taking initiative to do better in business is considered as pro-activeness.

Israel has only 20% of its land naturally arable but has a potential of producing 95% of its food requirement and the 5% is imported to supplement the household consumption. Agriculture industry in the country is considered highly developed despite the terrains, which does support Agricultural activities (FAO 2016). According to the study that was done to establish the effect



of entrepreneurial orientation on the growth of employment and increased export of small businesses products in Israel; it was established that, there existed a practical implication for the stakeholders who focus on the employment growth as opposed to those who limit their focus on income and it was recommended that there is a necessity of a business to adopt entrepreneurial Orientation in order for an entrepreneur to have all necessary requirements for new ventures (Farja et al., 2016).

Entrepreneurial Orientation was identified as an important predictor of firm growth in the South African context (Urban & Wood, 2015). On the same context, Slater (2015) in his study on the relationship between EO and firm performance in South Africa also established that there was a significant correlation between EO and firm performance and this has a strong connection to both financial and non-financial performance indicators within South African Economy.

In Nigeria, entrepreneurial orientation is known as a dynamic process of wealth creation. In a study that was conducted in relation to EO and family businesses in Nigeria, it was established that the businesses had an average failure rate of 89% as compared to the 67% global failure rate (Gomba & Tumo 2016). It was discovered that nearly 86% of family businesses fail during the transfer to the second generation, with only 11% surviving in the third generation transfer. According to (Babangida & Semasinghe, 2014), 82%, small family businesses die with their founders in Nigeria since not all family members have Entrepreneurial skills.

In Kenya, according to Abuya (2015), entrepreneurial orientation has been conceptualized as the process and decision-making activities used by entrepreneurs that leads to entry and support of business activities. Entrepreneurial orientation is tested based on the following factors; risk

taking, innovativeness, pro-activeness, competitive energy and autonomy. Several studies have made clear that entrepreneurship could actually foster organizational growth. The running of an enterprise is usually closely aligned to the personality and style of the founding entrepreneur (Bowen, Morara & Mureithi, 2009) however; we do not have a study on entrepreneurial orientation effect of small-scale farming business in Kenya.

As agriculture remains vital to Kenya's economic growth and major for achievement of the Big Four agendas of the president by ensuring food security. Kisii County enjoys favorable climatic conditions that favor agriculture with constant rains and good soil. Smallholder farming households characterizes it due to the high population in Kisii and land division being very high. The economy of Kisii town is derived from commerce and agriculture where Kisii county produces some unique products like *Managu* and *saga* among other green vegetables, beans, bananas, pineapples, sugarcane and pawpaw among others products. According to the County Executive Committee (CEC) member in charge of Agriculture, in 2017 alone Kisii farmers fetching over 1.9 billion shillings in direct sales. Onsarigo (2018)

The concept of small-scale farming business is not new in Kisii as the smallholding of land of the people in Kisii characterizes it however, according to Kenya National baseline survey report 2016 and for purposes of this study; small-scale farming businesses have been defined as business employing up to 50 workers. It should be noted that by employment, it does not necessarily mean payment of salary and wages but it includes engaging in the business activities. According to (Maragia, 2008) small scale businesses started at family level have grown to contribute to national revenue by way of taxes and in south East Asia countries like Japan, India and China have contributed immensely towards creation of new goods and services.

Regardless of the existing research on entrepreneurship, it has proved to cause challenges on thus making it a complex topic in the current society due to the social-economic dynamics (Rauch et. al., 2016). For this study purposes, Entrepreneur orientation has been conceptualized as the process of decision-making activity that comprises of three dimensions: innovativeness, risk taking and pro-activeness. The study was meant to contribute to literature in a conceptual model of effect of entrepreneurial orientation on business performance and to provide empirical evidence on entrepreneurial orientation and performance of small-scale farming business in Kisii County.

### **1.3 Statement of the Problem**

In Kenya, the small-scale farming business is the single largest agricultural sub-sector and contributes up to 100 billion Kenya shillings to the GDP in the recent years (KNBS, 2017). The agriculture sector is acknowledged as the backbone of this nation for many years. In Kisii County for this case, over 95% of residents are small-scale farmers who depend on agricultural produce for their day-to-day survival Kavoi (2017).

Generally, entrepreneurial orientation and performance has also been studied by scholars such as Mwangi, and Ngugi (2014) who studied the effect of entrepreneurial orientation on growth of micro and small enterprises in Kerugoya, Kenya, Okeyo (2014) who studied the impact of business development services on entrepreneurial Orientation and the performance of small scale and medium scale businesses in Kenya.

Mwaura, Gathenya, and Kihoro (2015) On the other hand, evaluated dynamics of entrepreneurial orientation on the performance of women owned enterprises in Kenya while Ali and Ali (2015) conducted a study on entrepreneurial orientation and performance of women

owned enterprises in Sub-Saharan African context in Somalia. Other studies have been done by, Gathungu, Aiko, and Machuki (2014) who conducted studies on entrepreneurial orientation, networking, external environment and firm performance and Mwai, K., Ntale, J. & Ngui, T. (2018) who studied on the effect of entrepreneurial orientation on the performance of family owned businesses. Suffice is to say that previous studies have not been brought out the context of Kisii county and how entrepreneurial orientation influence performance of small scale farming business. Farming significantly contributes to food security in Kenya and to the entire economy, yet there is little empirical evidence available on this area of study. This study therefore sought to fill this gap by answering the question; how entrepreneurial orientation influence performance of small scale farming businesses in Kisii County.

#### **1.4 Purpose of the study**

The purpose of the study was to determine the effect of entrepreneurial orientation on performance of small-scale farming businesses in Kisii County.

#### **1.5 Objectives of the Study**

##### **1.5.1 Specific Objectives**

The study was guided by the following specific objectives:

- i. To establish how Risk Taking influences performance of small scale farming business in Kisii County Kenya.
- ii. To determine how Innovativeness influence performance of small scale farming business in Kisii County Kenya.

- iii. To assess how pro-activeness influence performance of small scale farming business in Kisii County Kenya.

## **1.6 Research Questions and hypothesis**

### **1.6.1 Research Questions**

The study seeks to answer the following research questions

- i. How does risk taking influence performance of small-scale farming businesses in Kisii County Kenya?
- ii. How does innovativeness influence performance of small-scale farming business in Kisii County Kenya?
- iii. How does pro-activeness influence performance of small-scale farming businesses in Kisii county Kenya?

### **1.7 Significance of the Study**

The information obtained from this study will be useful to the following stakeholders.

Entrepreneurs are considered to be in the forefront in establishing management framework aimed at increased productivity of their respective firms. With this in mind, the findings of this study will help them formulate and adopt Entrepreneurial strategies, which will make them much relevant and competitive than their counterparts. This will enable them to gain a sustainable competitive advantage and in the end-increased performance, which will in turn lead to growth and development of the small-scale farming businesses.

The society will benefit from the study. Farming being the Kenya's backbone, its economic contribution is not something to be taken for granted. Given that the country has recently been faced with food shortage leading to loss of many lives, the finding from this study will give an

insight of what is expected to be done in order to improve the development and growth of small-scale farming businesses in the country. This will in the end lead to increased food productivity and thus the nation will be able to feed its people. Increased production will lead to development of other business entities such as processing industries, which will create employment and hence improved living standards of the society.

Other beneficiaries of the study will be policy makers and regulators. With developing nation still lagging behind on the world agenda on development and sustainability, the study will help the policy makers to establish the guiding principles which will support the entrepreneurship in the country given that there are several young graduates who are jobless hence unproductive at their most productive age. This will lead to reduced dependence rate and hence forging towards the sustainable development goals as a nation by creating conducive business environment for the young entrepreneurs.

Scholars and researchers on the other hand, will benefit from the study because the study will contribute to body of knowledge, as it will validate the existing theories on Entrepreneurial Orientation and how the underlying principles of the theories can be applied in the small-scale farming businesses. It will also provide information that can be used in development of theory on performance of small-scale farming businesses and recommend areas of further research.

### **1.8 Scope of the Study**

This study was limited to Small-scale farming businesses in Kisii County, Kenya where the researcher considered a sample of 400 small scale farmers from each sub-counties. This study sought to establish the effect of Entrepreneurial orientation on the performance of small-scale farming businesses in Kisii County Kenya.

### **1.9 Delimitations of the Study**

The study was restricted to the effect of entrepreneurial Orientation on the performance of Small-Scale Farming Businesses in Kisii County Kenya. The study focused on small-scale farming businesses since farming is the backbone of not only Kisii County but also the whole nation and hence contributes greatly to the social-economic development of this nation. Norman and Nieuwenhuizen (2009) model of entrepreneurship development avers that for entrepreneurship to thrive within a National economy, It will take the entire society to carve the overall social environment that is conducive to entrepreneurship.

### **1.10 Limitations of the Study**

The researcher faced a challenge of illiterate small-scale farmers who could not read and understand English thus the researcher had to do a translation of questionnaires and give guidance and explanations to illiterate farmers while the researcher filling them, which was very costly and time consuming. There was protocol to be followed for the researcher to be granted permission to conduct the study. To counter that limitation, the researcher got clear guidelines of getting permission for conducting the research at the sub county offices. To reduce the movement cost, the researcher issue all the questionnaires in a systematic way for each sub county and pick them on the same day to reduce the movement cost.

Some respondents on the other hand were not willing to fill in the questionnaires because they though I will disclose the information to the Agriculture county offices and other government authorities. To counter this problem an introductory letter from the university and National council of science and Technology (NACOST) was attached to my questionnaires as permission request letter in advance. The introductory letter was also attached to the

questionnaire which emphasize that the information obtained from the questionnaires and interviews was to be treated with strict confidentiality and for academic purpose only.

### **1.11 Assumptions of the study**

The research was guided by the assumption that the people who were interviewed were honest and truthful. With the sample of 400 correspondents, the number represented the whole population of small-scale farmers in Kisii County.

### **1.12 Theoretical Framework**

Several theories have been advanced in the field of entrepreneurship but for the purpose of this study; the three theories below guided.

#### **1.12.1 Theory of Entrepreneurship**

Joseph Schumpeter (1949) propounded the theory of entrepreneurship and innovation. According to him, entrepreneurs help the process of development in an economy, entrepreneurs are the people who are innovative, creative, and with foresight in a given community. Schumpeter (1948) argues that, innovation occurs when the entrepreneur introduces a new product or a new production system opens a new market, discover a new source of raw materials or introduce a new organization in to the industry. He further argued that entrepreneurship is about combining resources in a new way such as introducing new products, new method of production, identify new sources of raw materials and setting new standard in the market or industry that alters the equilibrium in the economic system.

Schumpeter(1934) cited in Aloulou and Fayolle (2005) highlighted that entrepreneurship is combining resources in new ways by introducing new products with very good quality,



entering into new markets, use of unique raw materials and reorganizing new sectors as part of the business. (Wood et al., 2004) defines entrepreneurship as the ability to channel creative innovations into ventures that have value as well as the ability to channel creative innovations into ventures that have value that have value as well as ability to create and sell new ideas and building new businesses. Madsen (2007) complements the definition by defining entrepreneurship as searching for new opportunities, which bring about business growth.

Entrepreneurship is characterized by certain processes related to the pursuit of opportunities associated with individual businesses (Lumpkin and Dess, 2001). Entrepreneurial orientation supports opportunity recognition in new markets (Jantunen et al., 2005). (Lumpkin and Dess, 1996) recognizes that entrepreneurial orientation is the process, practice and decision-making activity that lead to entrepreneurship. Entrepreneurial orientation has five dimensions, which includes; innovation, autonomy, pro-activeness, competitive aggressiveness and risk taking.

According to Miller (1983), various different factors as determinants of entrepreneurship need to be contextualized according to the type of business that entrepreneurship is exploring into. The specific entrepreneurial orientation dimensions: innovativeness, pro activeness and risk taking also applies to the small-scale business in Kisii County was used to analyze their effect on business success.

### **1.12.2 Frank Knight's Risk Bearing Theory**

Frank Knight (1907) first introduced the dimension of risk-taking as a central characteristic of entrepreneurship. He adopted the theory of early economists like Richard Cantillon and J. B. and added the dimension of risk-taking. This theory considers uncertainty as a factor of

production, and holds the main function of the entrepreneur as acting in anticipation of future events.

Knight held two distinct definitions of uncertainty. The first definition was the outcomes that can be insured against while the other is uncertainty outcome that cannot be insured against (Weston 1954 and Stigler 1987). According to Knight (1921) on use of uncertainty in developing the theory of profit, the purpose of making the distinction was to provide necessary conditions for profit to exist in an otherwise static economy. This led to adoption of only one definition of uncertainty, which refers to all instances where only subjective estimates of future outcomes are possible.

Considering that most of the small-scale farming businesses in Kisii County operate in uncertainty too in terms of weather conditions, financial risks and personal risks, which are uncertain, this study established the effect of taking a greater risk on the performance of these businesses. The study therefore was establishing the relationship that exist in risk taking to productivity of small-scale businesses in Kisii County given that most of the businesses in subject have a dismal growth and some have existed the market.

### **1.12.3 Schumpeter's Innovation Theory**

Schumpeter (1934; 1942) pioneered in highlighting the role of innovation in the entrepreneurial process. Schumpeter (1942) describes a process of “creative destruction” where wealth creation occurs through disruption of existing market structures due to introduction of new goods and/or services that cause resources to move away from existing firms to new ones thus allowing the growth of the new firms. Accordingly, Schumpeter calls

innovation the specific tool of entrepreneurs, the means by which entrepreneurs exploit change as an opportunity for a different business or a different service.

Schumpeter (1942) stressed the role of entrepreneurs as primary agents effecting creative destruction, and emphasized to the entrepreneurs the need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for successful innovation; as well as their need to know and to apply the principles of successful innovation.

Successive scholars and researchers (Drucker 1985; Lumpkin & Dess, 1996; Shane, Kolvereid & Westhead, 1991) have carried this Schumpeterian vein of thinking forward. On his part, Drucker (1985) held out the entrepreneur always searching for change, responding to it, and exploiting it as an opportunity, and engaging by this means in purposeful innovation. Lumpkin & Dess (1996) saw the process of creative destruction as initiated by an entrepreneur, which makes innovation an important success factor within EO. Furthermore, the link between entrepreneurship and innovativeness is supported by the results of Shane, Kolvereid and Westhead (1991), who found that innovation is among the key motives to start a business.

Schumpeterian growth theory supposes that technological progress comes from innovations carried out by firms motivated by the pursuit of profit. That is, each innovation is aimed at creating some new process or product that gives its creator a competitive advantage over its business rivals; it does so by rendering obsolete some previous innovation; and it is in turn destined to be rendered obsolete by future innovations (Schumpeter, 1934).

Mwaura et al., (2015), views pro-activity as defining one's goals and future and arriving there as planned; a state of mind and the will, largely driven by one's consciousness to sustain a

vision, to fulfill a mission, to attain a challenging goal and to achieve a define objective. This leads to envisioning a future towards which one devices the strategic parameters for influencing, influencing and recreating the environment within which to operate in line with that vision. Entrepreneurial pro-activeness can be seen as alertness of the company. According to Alvearez and Barney (2015) entrepreneurial pro-activeness is the ability of the firm to predict where products/services do not exist or have become unsuspected valuable to customers and where new procedures of manufacturing are unknown to others become feasible. Kirzner (1997) calls it “flashes of superior insight”. The proactive company focuses on the past, the present and the future with equal zeal, using history to explain and fully understand the present and to challenge and create its own proactive future (Mwaura et al., 2015).

Innovation is vital to entrepreneurship since it is part of a country’s economic growth. In the opinion of Ling, et al. (2008), countries with the largest economies can be associated with great commitment to innovation and research. Currie, et al. (2008) posits that in an external setting that is ever changing, innovation and entrepreneurial conduct are processes that are holistic, vibrant and complementary fundamental to an organization’s sustainability and success.

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The theoretical reviews in relation to this study which include the theory of Entrepreneurship by (Schumpeter, 1949) which acknowledges that an entrepreneur helps in the process of economic development. Schumpeter (1949) defines entrepreneurs as people who are generally innovative, creative and visionary. However, Schumpeter's entrepreneurs are essentially large scale businesses as opposed to the objective of this study which is small-scale farming businesses.

Frank Knight's Risk Bearing Theory by Frank Knight (1907) also tries bringing out the dimension of risk taking as a central characteristic of entrepreneurship. Knight (1907) adopted the concept of the early economists such as Richard Cantillon and J.B say and only added the dimension of risk taking. This theory strongly holds on uncertainty as a critical factor of production and holds that the main function of entrepreneur as action on the anticipated risk in future events yet we have more factors to be considered for good performance of business.

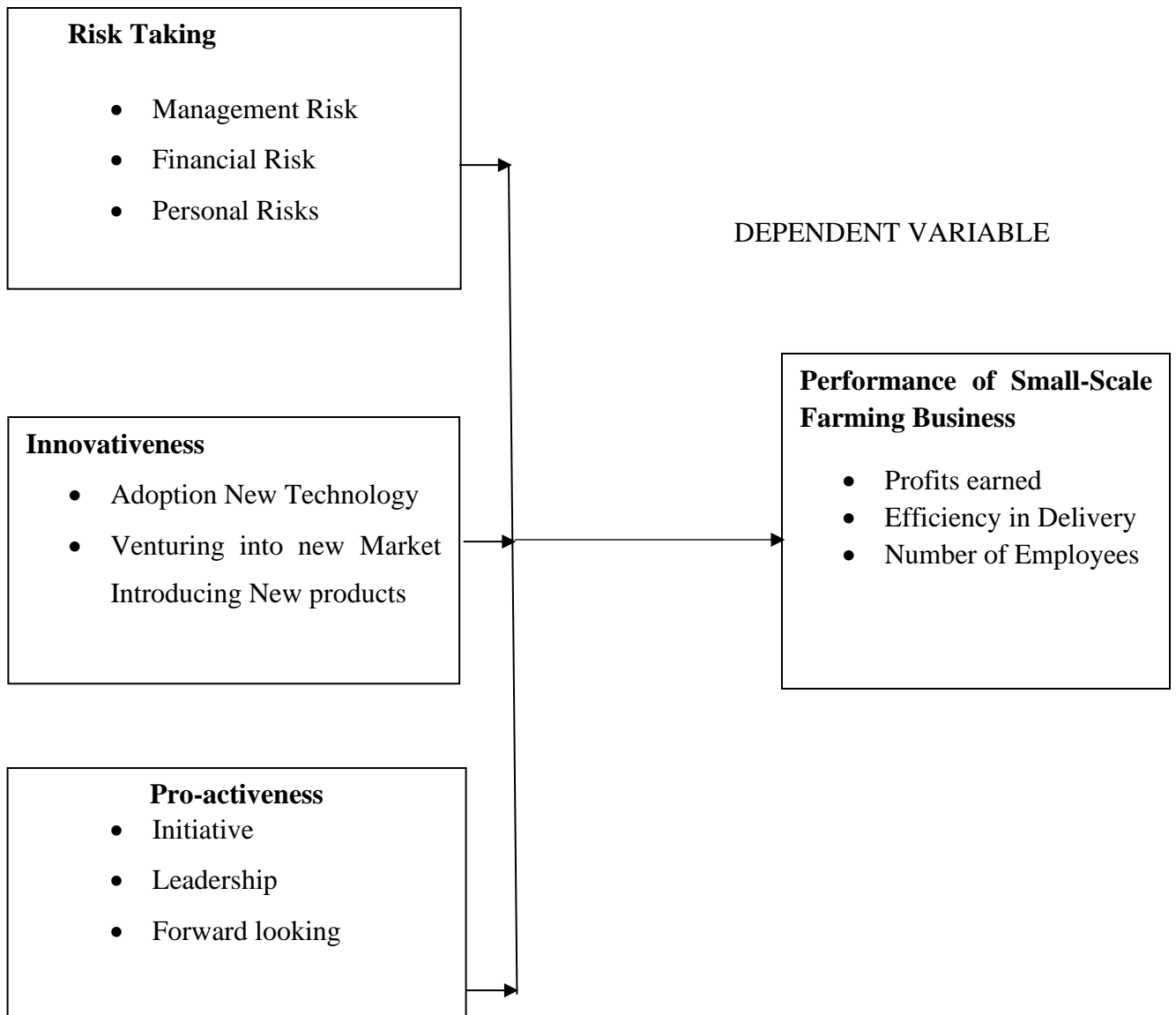
Schumpeter's theory of innovation on the other hand, which is traced back in 1942, describe the process of creative destruction where wealth creation occurs through disruption of the existing structures in the market due to the introduction of new goods and services that makes

the cause resources to divert to a new firm hence leading to the growth of new firms. Generally, the existing literatures and theories bring out the aspect of Entrepreneurial orientation in three dimensions namely; risk taking, innovation and pro-activeness. However, the studies do suffice the effect of entrepreneurial orientation on the performance of small scale farming businesses given that, both of Schumpeter's entrepreneurship and innovation theory figures out big businesses and hence our research gap. This study therefore, was to establish the effect of EO on the performance of small-scale farming businesses in Kisii County.

### **1.13 Conceptual Framework**

Cooper and Schindler (2011) averred that a concept is a generally accepted collection of meanings or characteristics associated with certain events, conditions, objects, behavior and conditions. It outlines possible courses of actions on how to present an idea. The framework helps to clarify the research questions thereby giving the direction of the study by pointing out the dependent variables and independent variables.

## INDEPENDENT VARIABLES



**Figure 1.1** Conceptual framework

In this research, the study was guided by entrepreneurial orientation as the independent variables which comes out in three aspects; risk taking, innovation and pro-activeness while dependent variable is performance of small scale farming business which depends on the

entrepreneurial orientation. The independent variables with the three aspects is further broken down into measurable variables as follows; Risk taking has management risk, financial risk and personal risks. On the other hand, Innovation has new technology, new market and new products while the initiative, leadership and forward looking measure pro activeness. The figure 1.1 which is a conceptual framework, which is mainly concerned with how dependable and independent variables relates and were used to outline possible course of action.



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This section presents the reviewed literature, which is relevant to this study. Areas covered in this section include, review of literature of Entrepreneurial Orientation, its effect on the performance of small-scale businesses, Empirical reviews of the studies, which have been conducted worldwide, and Kenya, and lastly, it captures the summary and research gap.

### **2.2 Review of Literature**

This section presents a review of past studies on the effect of the risk taking, innovativeness and pro-activeness of firms on performance with the critiquing and establishing research gap.

#### **2.2.1 Risk Taking and performance of small scale farmers**

According to Dess and Lumpkin (2005), organizations and their executives face three types of risk business risk, financial risk, and personal risk. Business risk refers to the risk of entering untested markets, or committing to unproven technologies. Financial risk is related to heavy borrowing or committing a significant amount of resources for growth. Firms with an EO often engage in risky activities, such as high leveraging and large resource commitments in the desire of gaining high returns by pursuing opportunities in the market. Personal risk is related to a person, normally an executive, who decides to favor a certain strategic course of action.

Pursuant to this, Miller and Friesen (2008) defined risk-taking as the degree to which managers are willing to make large and risky resource commitments, that is, those which have a reasonable chance of costly failures. Lumpkin and Dess (2006) confirm this assertion by stating that an entrepreneurially oriented business commits huge borrowed resources to seize an opportunity in the market that would earn high returns. Methods or management styles

associated with risk-taking indicates entrepreneurial orientation; however, in a different context the effect of risk taking on business performance were expected to differ. According to Lumpkin (1996), risk-taking propensity is a behavioural measurement of an entrepreneurial orientation alongside which opportunity pursued.

Wambugu, Gichira, Wanjau and Mungatu (2016), evaluated risk-taking based on perceptions towards the term risk-taking and calculated risk, as well as based on a statement about exploration in business activities. In their study, Wambugu et al., (2016) established that risk-taking had a negative impact on product performance and no impact on customer performance. They argue that the reason for this finding may be that because risk-taking is normally costly due to competitor responses, it may lead to drift and wastage of resources as firms in their early stages does not have the coordination mechanisms in place to direct the risk-taking behavior in the best possible way. They suggest that risk-taking may be beneficial for more mature companies, but do not see it as beneficial at the embryonic stage.

Internal locus of control and high need for achievement have been associated with high performance individuals which is associated with moderate level of risk taking propensity that is associated with performance (Brockhaus 1980). In terms of different context however, the effect of dimensions of entrepreneurial orientation include risk-taking propensity that are expected to differ in terms of their effect on performance.

Risk taking as a dimension of entrepreneurial orientation consist of innovativeness, pro-activeness and risk-taking propensity is negatively associated with family enterprise performance in their study or Swedish enterprise (Naldi et al. 2017). This means, association between risk taking propensity and earnings might not necessarily be positive but the expectation of a change in security is taken to represent the extent to which financial and job

security might be threatened. Kuratko and Hodgetts (2003) found that entrepreneurs sought some measures of security for their families. Financial insecurity might also lead to dissatisfaction of entrepreneurs to continue running the business. This supports the argument that manifestation of risk taking propensity as a dimension of entrepreneurial orientation being fundamentally shaped by context thereby predicting towards the contribution of entrepreneurial performance in different ways.

### **2.2.2 Pro-activeness and performance of small scale farmers**

Wambugu et al., (2016) on a different study also conducted a study on the Relationship between Pro-activeness and performance of Small and Medium Agro processing Enterprises in Kenya. The objective of the study was to establish the influence of pro-activeness on the firm performance of agro processing in small and medium enterprises in Kenya. Data was gathered from 111 agro processing in Small and Medium Enterprises who were registered members of Kenya Association of Manufacturers. Structural Equation Modeling partial least squares (PLS) approach using PLS algorithms and bootstrapping algorithms in Smart PLS 2.0 was used. Data analysis was conducted in two phases, measurement outer model estimation and structural, inner model estimation. The findings revealed that pro-activeness was a significant predictor of firm performance of agro processing in Small and Medium Enterprises in Kenya.

Pro activeness is related to initiative and first- mover advantages and by anticipating and pursuing new opportunities (Lumpkin & Dess, 1996). Pro activeness is very important as it suggests a forward-looking perspective that is accompanied by innovative and entrepreneurial activities. On the other hand, pro activeness is associated with leadership and having foresight to seize new opportunities even if it is not the first to do so. According to Cahill (1996), being

the pioneer in the market does not necessarily guarantee durability of competitive but is associated with mixed results.

Passiveness is high levels of entrepreneurial orientation support opportunity recognition and opportunity creation according to Jantunen et al. (2005) yet being active may not necessarily imply efficiency (Jantunen et al., 2005). Growth of an entrepreneur on the other hand may be influenced by education directly and indirectly. Directly because individuals with higher education are likely to aspire in general and directly through more self-confidence in managing better his business and ability to spot growth opportunities. Davidsson (1989).

According to Coulthard (2007) a positive and significance results exist between educational contextual factor and proactive. This is predicted in terms of optimal level of pro-activeness as contributed to performance existing in specific context. Pro-activeness is therefore predicted to be positively associated with education related factors to the extent that growth willingness is taken to be a measure of pro-activeness thereby expecting a positive association between pro-activeness and education related factors. In the study of effect of EO to performance of small scale farming business in Kisii it is expected that pro-activeness will be affected by level of education, passiveness and activeness and forward looking too.

### **2.2.3 Innovativeness and performance of small scale farmers**

Burgess (2015) in a study regarding the Entrepreneurial Orientation-performance relationship, they actually tried to measure the impact of entrepreneurial orientation on the performance of businesses by collecting data through a mail survey, where the managing directors of the firms were used as key informants. The data consisted of emerging young high-technology firms that were located at business incubators in the U.K. The median age of these firms was 2.5 years

and they employed six people on average. They measured innovativeness by asking about finding new ways of doing things, creativity in operation methods, and active introduction of innovations in the business. Business performance was operationalized through customer performance and product performance. Customer performance was measured by examining, how effective the firm had been at attracting, retaining and sustaining customers and gaining repeated orders. Product performance was evaluated based on the relative success of the firm's products in generating sales and achieving market share.

Other studies have been done on entrepreneurial orientation such as the effect of creativity on the innovativeness of a firm, it was established that, there was no relationship between organizational creativity and innovation process (Ozge and Mette, 2012). In this study which was undertaken; the major questions which were being researched included; “Does organizing creativity really lead to innovation? The study with a sample of 147 firms was used and the findings came out that organizing creativity does lead to innovation but only product innovation. Also encouraging employees for innovative behavior in a stimulating work environment, allocating resources and providing idea time played a crucial role in stimulating creativity and supporting product innovation. Another finding was that high levels of freedom are found to be acting against product innovation.

Another study by Fatoki (2014) investigated the entrepreneurial orientation of micro enterprises in the retail sector in South Africa and the results revealed adeptness by micro enterprises at introducing new product lines and at making changes to the product line, but weakness in research and development, pro-activeness and risk-taking. Ngugi (2017) conducted a study on influence of intellectual capital on the growth of small and medium enterprises in Kenya. The findings of the study revealed that the components of Intellectual

Capital such as managerial skills, entrepreneurial skills, and innovativeness of the owner/managers have major positive significance contribution to the growth of SMEs in Kenya.

A study by Ligthelm (2015) primarily aimed at calculating the survival rate of small businesses within the rapidly changing trade environment based on longitudinal empirical surveys, with particular emphasis placed on the role of entrepreneurship in small business survival. The two research questions of the study were the ability of small informal businesses to survive amidst a heightened level of competition from large formal businesses and the variables instrumental in ensuring sustainability of survivors. Findings from longitudinal surveys among a panel of 300 small businesses in Soweto between 2012 and 2014 were modeled through a categorical regression model with business survival as dependent variable. The findings suggested that entrepreneurial acumen and business management skills be classified as the strongest predictors of small business survival. Hence, the ability to adjust one's business model to adapt to changed economic circumstances is an important characteristic of entrepreneurial conduct that ultimately dictates survival in increasingly competitive economic environments (Ligthelm, 2015).

### **2.3 Summary and Research Gaps**

Various studies have been conducted on entrepreneurial orientation and performance of businesses in developed countries as well as locally. According to Mwangi and Ngugi, (2014) who did a research on the effect of entrepreneurial orientation on growth of micro and small enterprises in Kenya, Kerugoya, their findings were managerial competence influence the growth of micro and small enterprises. This study gives a contextual gap because the study

was done in Kerugoya while the researcher is doing his research in Kisii County. Some other scholars who have done the research on the effect of entrepreneurial orientation and performance are Ali and Ali (2015) who conducted a study in Somalia on Entrepreneurial orientation and performance of women owned enterprises in Sub-Saharan African with the findings of Innovation and risk taking improves women's ability to grow their business, we have Gathungu, Aiko, and Machuki (2014) who studied in Nairobi Kenya who conducted their study on Entrepreneurial orientation, networking, external environment, and firm performance while their findings were a positive relationship between Entrepreneurial orientation, Networking and external environment on firm performance.

The study will focus on small scale farming businesses in Kenya in Kisii County due to the critical role of agriculture being the back bone of Kenya's economy. The study also focused on both gender that is male and female unlike other studies which based their studies in focused on women alone. This will help to fill the knowledge gap of the role of entrepreneurial orientation on small scale farming business and its influence on performance.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter outlines the various procedures that the researcher followed in order to complete this study. It covers the research design, research site and rationale, target population, sampling procedures, the sample size that was studied as well as the data collection procedures, research instruments such as; pilot testing, instrument reliability and data analysis and presentation tools together with ethical issues to be observed in the course of the study.

### **3.2 Research Design**

This study adopted a cross-sectional descriptive survey design, as it is relatively easy and quick to obtain data that is amendable to statistical manipulation (Brotherton, 2018). This included aspects such as the important determinants of entrepreneurship in Kisii County among other aspects, which leads to growth, and development of new and existing small-scale farmers. The design was used to allow the researcher to compare different variables at the same time and thus the decision was used to establish the effect of Entrepreneurial orientation on the performance of small-scale farming businesses in Kisii County Kenya.

### **3.3 Research Site and Rationale**

According to Kothari (2003), a research site is an area where the researcher designs and tests the sample size. The study was conducted at the nine Kisii Sub-Counties focusing on small scale farming businesses. Kisii County is characterize by small scale farming businesses due to large population however; the county's economic activity is farming and commerce.



### 3.4 Target Population

Saunders, Lewis and Thornhill (2009) described population as the complete set of cases from which a sample is obtained. They further stated that in sampling, population is not applied in its usual sense, as the complete set of objects need not be mainly people. Polit and Beck (2003) in Saunders *et al.*, (2009) viewed population as the collective or entirety of those compliant to a set of provisions. According to Kisii county agriculture office 2020. There are 227, 840 small-scale farmers in Kisii county. This research study therefore was carried out in Kisii county and the target population of this study consisted 227, 840 small-scale farmers within the county.

### 3.5. Sampling procedure

The study adopted a sample size of 400 participants who were randomly selected from each of the nine sub counties as indicated in table 3.1. Both the probability and non-probability sampling techniques were used; that is the simple random was used in this study where the questionnaires were administered randomly to the small scale farmers in each county. The population was divided into sampling units represented by each sub-county where proportional sample size was arrived at using the formula below.

$$ni = n/N * 400$$

Where:  $ni$  –is the sample size

n - Is the total number of small scale farmers in the sub county?

N - The total population in study.

### 3.6 Sample Size

The sample size for the study was calculated by use of formulae by Krejcie & Morgan (1970). The formulae will assist in determining the sample size from a given fixed population (P). With the sample size within plus or minus 0.05 of the population proportion at 95% level of

confidence. The 95% confidence level is due to the narrower variability when coupled with a higher sample size, which enhances precision (Bryman, 2008) the formulae is as shown below:

$$S = X^2 NP (1-P) / d^2 (N-1) + X^2 P (1-P)$$

Where;

S = required sample size.

$X^2$  = the table value of chi-square for one degree of freedom at the desired confidence level (3.841).

N = the population size. (227,840)

P = the population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (.05).

$$S = \frac{3.841 * 227,840 * 0.5 * 0.5}{(0.05)(0.05) * (227,840 - 1) + 3.841 * 0.5(1 - 0.5)}$$

$$S = \frac{218,783.36}{570.55775} = 383.455$$

Using the formulae gives 383 as the minimum sample size for the study however; the study adopted a sample size of 400 participants who were selected. This is to take care of any eventuality of any who will not respond.

Using simple random sampling from each sub county as indicated in Table 3.1 ANNEX V, the samples would be distributed in a percentage of population distributed per sample size.

### **3.7 Data Collection Procedures**

The study used primary data collected procedure using questionnaires. Questionnaires are a quick method of obtaining data as compared to other instruments. To achieve this, the researcher distributed both the English, Ekegusii language questionnaires as she interviewed the illiterate small scale farmers and in filling the questionnaires on their behalf.

### **3.8 Research Instruments**

Saunders *et al.*, (2009) described data as facts, and opinion that has been gathered together and documented for reference or for enquiry. The information or data collected was either primary or secondary. The data to be collect was from the primary sources. Most of the information from these sources were gathered through the use of questionnaires which was defined by Saunders *et al.*, (2009) as a situation or approach where each individual is asked to reply to similar set of questions in a predetermined order.

The questionnaires encompassed both close ended and open-ended questions to enable the respondents to express their view without being influenced by the researcher. The structured questions was used in an effort to conserve time and money as well as to facilitate an easier analysis as they are in immediate usable form. The unstructured questions were used as they encourage the respondent to give an in-depth and well thought response without feeling held back in revealing any information. Kothari (2004) indicates that a questionnaire is a cost efficient method to collecting information particularly from a huge group of respondents.

#### **3.8.1 Piloting of Research Instruments**

A pilot test was conducted to test the reliability of the data collection instrument. A pilot study was meant to eliminate, in advance, some of the problems that were likely to be encountered

during the final study (Cooper & Schindler, 2013). In this study, pretesting involved 40 small-scale farmers which was 10percentage of the sample and from the findings, the results showed consistency and reliability which was measured using Cronbach alpha coefficient which turned out to be 0.9 which meant the instruments were excellent. The small-scale farmers who participated in the pilot study did not participate in the final study as the results were included to the main results.

### **3.8.2 Instrument Validity**

Creswell (2014) as cited in Ishtiaq (2019) notes that validity is about whether one can draw meaningful and useful inferences from scores on the instrument. To ensure content validity, the research supervisors and other research experts reviewed the instruments. Pilot testing of the instruments was done on the validity of this study. The researcher ensured that the instrument of data collection came with similar information for validity.

### **3.8.3 Instrument Reliability**

The reliability test, which was used in this study, is Cronbach's alpha (Cronbach, 1951). Cronbach's alpha determines the internal consistency or average correlation of items in a survey instrument to gauge its reliability. Cronbach's alpha is an index of reliability accounted for the true score of the underlying construct the hypothetical variable that is being measured. Alpha coefficient ranges from 0-1, which is used to describe the reliability of factors from multi-formatted questionnaire on a scale where the higher the scale the more reliable is the questionnaire. 0.7 is the minimum acceptable reliability coefficient due to the diversity of construct being measured.

### **3.9 Data Analysis and Presentation**

Data was analyzed by use of both qualitative and quantitative approaches. The qualitative data mainly questionnaire items were coded and analyzed using SPSS version 20 where the generated results were presented in form of tables, charts and figures. Data analysis included descriptive statistics. The data collected in each Entrepreneurial orientation was as analyzed in a table to get the mean and standard deviation respectively. Performance on the other hand was measured by profit earned, number of employees and delivery time. Qualitative data on the other hand from open-ended questions was analyzed by establishing the categories, themes and relationships and conclusions were drawn in line with the study objectives (Gray, 2004)

### **3.10 Ethical Considerations**

Ethics are structures of moral values concerned with the extent to which process uphold to profession, legal as well as societal commitments to the study subject (Polit & Hungler, 2000). Ethical issues related to the study will be addressed by maintaining high-level confidentiality of the information volunteered by the respondents and never intending to use the information for other purposes other than drawing the conclusion of the study. The names of the respondents were optional in the questionnaire and were not to be disclosed to protect their rights. All the personal details were limited to general information.

Official introductory letter from the university was attached to the questionnaire to improve the trust of the respondents on the researcher. The researcher also sought for a research permit from NACOSTI.

## CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF FINDING

### 4.1 Introduction

This study focused on determining the effect of entrepreneurial orientation on the performance of small scale farming businesses in Kisii County Kenya. The study captured two main sections namely the background information of the respondents and the perception of the respondents on the influence entrepreneurial orientation on the performance of small scale farming businesses in Kisii County Kenya. The section therefore provides the presentation of the findings and discussions on the same. The findings were presented in line with the study objectives.

### 4.2 Response Rate

Out of the 400 questionnaires administered, 8 were not correctly and consistently answered and thus were excluded from analysis as a way to minimize statistical biases. This gave a 98% response rate. The results are presented as per the objectives of the study. According to Mugenda and Mugenda (2003), a response rate of 60% was good for a study. Thus a response rate of 90% was considered to be good enough for this study and the result for the returned rate are as presented in the table 4.1

**Table 4.1 Response Rate**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Returned complete	392	98%
Returned incomplete	8	2%
<b>Totals</b>	<b>400</b>	<b>100%</b>

Source: Research Data (2020)

### 4.3 Demographic Characteristics

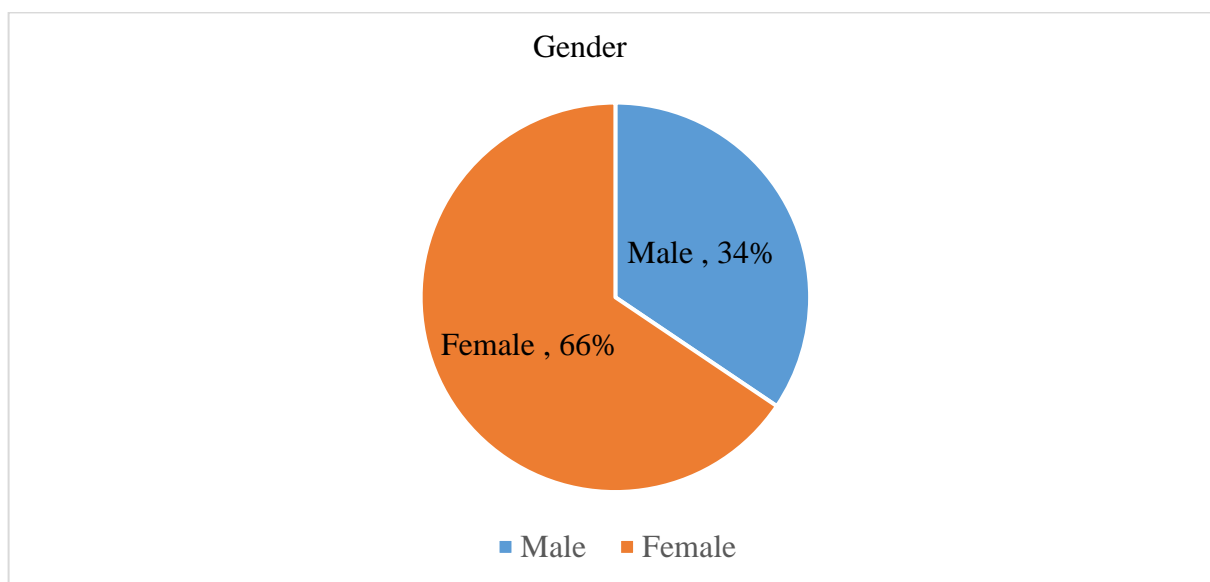
According to the study the demographic characteristics which were captured in the questionnaire included; gender, marital status, age, level of Education, number of years in business and business structure.

#### 4.3.1 Gender Representation

The study sought to find out the gender of the respondents with the presumption that variation in gender could influence opinions. Figure 4.1 indicates that 66% of the respondents were females, 34% male. In terms of gender representation, the response clearly indicated that gender equality was achieved in this particular study with two third gender rule being observed in the study on the effectiveness of entrepreneurial Orientation on the performance of small scale farming businesses in Kisii County Kenya.

The respondents indicated their gender in the questionnaire and the results are presented in Figure 4.1

Use figures and tables



Source: Research Data (2020)

**Figure 4.1 Gender Representation**

### 4.3.2 Marital Status

Marital status describes the responsibilities the respondents has which forces him/her to engage in production in order to provide for their dependants and therefore the study sought to establish how many of the respondents were married. The findings established that 65% of the respondents were married while 35% were not and the results were presented in table 4.2

**Table 4.2 Marital Status**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Married	255	65%
Single	137	35%
<b>Totals</b>	<b>392</b>	<b>100%</b>

Source: Research Data (2020)

### 4.3.3 Age Bracket

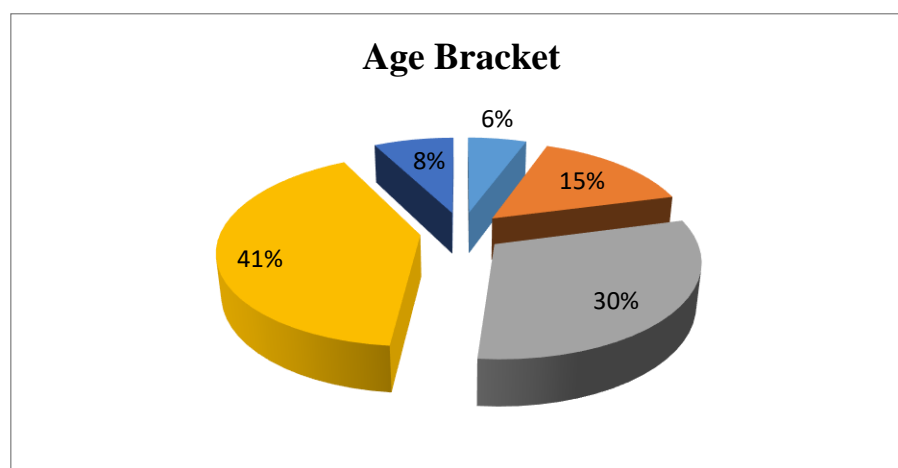
Age bracket ideally describes the experience of the interviewed entrepreneurs have in different area of businesses ventures in Kisii County. This significantly distinguishes the level of skills and knowledge garnered by an individual through field experience which enables him/her to effectively deliver on their businesses with ease and expertise for all stakeholders (Nielson, 2015). In this study, majority of the respondents were aged between 41-50Years at (40.8%). This category of respondents was followed by those who aged between 31-40 at (30.6%), 20-30 Years at (15.3%) respectively with very low representations of respondents aged above 50 years and below 20 years and the results are depicted in table 4.3



**Table 4.3 Age Bracket**

<b>Age</b>	<b>Number</b>	<b>Percentage (%)</b>
Below 20Years	22	5.6
20-30 Years	60	15.3
31-40 Years	120	30.6
41-50 Years	160	40.8
Above 50 Years	30	7.7
<b>Total</b>	<b>392</b>	<b>100</b>

Source: Research Data (2020)



Source: Research Data (2020)

**Figure 4. 2 Age Bracket**

### 4.3.3 Level of Education

In the recent past, education has become a critical aspect of human life. With the highly educated being considered the drivers of both social, economic and politics of the world. The highly educated have been tasked to give solutions to the existing and emerging challenges in the society and hence considered advantaged in the way they handle their businesses or responsibilities tasked to them. Entrepreneurs are expected to adopt the existing technology and even embrace new technological innovations in order to improve on performance of their

business entities. This study therefore sought to establish the level of education of the respondents in order to determine their ability to embrace the existing or new technological innovations in their small scale farming businesses and the result was as tabulated in table 4.4

**Table 4.4 Level of Education**

<b>Level of Education</b>	<b>Number</b>	<b>Percentage</b>
Primary	183	46.8
Secondary	98	25.0
Certificate/Diploma	52	13.2
University Degree	34	8.7
Post Graduate	25	6.3
<b>Total</b>	<b>392</b>	<b>100</b>

Source: Research Data (2020)

In this study, the majority of the respondents (183) had attained Primary School Education level representing 46.8% while (98) had attained Secondary level education accounting for 25.0% and those with certificate/diploma level accounting for a significant representation level of (52) respondents accounting for 13.2%. Those with high education level were few with those who had university degree being (34) and those who had postgraduate (25) respondents accounting for 8.7% and 6.3% respectively.

#### **4.3.4 Experience in Business**

Experience is critical in performance of any business entity as the decision makers are able to identify the challenges experienced and be able to cope and even be able to devise mechanisms to improve on their performance. This study therefore sought to establish the experience of respondents in their business ventures. The study establish that majority of the findings established that majority (180 respondents) accounting for 45.9% had been in their businesses

for a period of over 5 years, followed by (160 respondents) accounting for 40.8% had been in their business for a period of between 4-5 years. The study established that those who had experience of between 2-3 years and between 0-1 years accounted for the least representation of 7.7% and 5.6% respectively and the result is as tabulated in table 4.5.

**Table 4.5 Experience in Business**

<b>Experience</b>	<b>Number</b>	<b>Percentage (%)</b>
0-1 Years	22	5.6
2-3 Years	30	7.7
4-5 Years	160	40.8
Above 5 Years	180	45.9
<b>Total</b>	<b>392</b>	<b>100</b>

Source: Research Data (2020)

#### **4.3.5 Structure of Business**

The structure of any business determines the goals and objectives of the particular business entity. The level of management structures also differ which directly affects the performance of these businesses. This study therefore sought to establish the structures of the small scale farming businesses existing in Kisii County Kenya. The study established that, majority of the business entities (200 respondents) accounting for 51.0% were not aware of the structure of their businesses. This implies that they were either not registered businesses or the owners were not informed of the nature businesses they engaged themselves. The study also established that (130 respondents) accounting for 33.2% were sole traders. Jointly owned/partnership businesses and limited Companies accounted for the minimal representation (52 and 10 respondents) accounting for 13.3% and 2.5% respectively. These results were tabulated in table 4.6

**Table 4.6 Structure of Business**

<b>Structure of Business</b>	<b>Number</b>	<b>Percentage (%)</b>
Sole Trader	130	33.2
Jointly Owned/Partnership	52	13.3
Limited Company	10	2.5
Others	200	51.0
<b>Total</b>	<b>392</b>	<b>100</b>

Source: Research Data (2020)

#### **4.4 Entrepreneurial Orientation**

The study sought to establish the effect of entrepreneurial orientation on the performance of small scale farming businesses in Kisii County Kenya. Specifically, the study focused on establishing the effect of risk taking on the performance of small scale farming businesses in Kisii County, to analyze the effect of innovation on the performance of small scale businesses in Kisii County Kenya and to establish the effect of pro-activeness on the performance of small scale businesses in Kenya.

##### **4.4.1 How Risk Taking influence performance of small scale farming businesses**

Respondents were required to indicate the extent to which they agreed to the perceived aspects of risk taking on the performance of small scale farming businesses in Kisii County. Items that were measured on a five point Likert-Type scale ranging from 1 being “Strongly Disagree” to 5 being “Strongly agree” (1- Strongly Disagree; 2-Disagree; 3-Neutral; 4- Agree; 5- Strongly Agree) and the results were presented in table 4.7

**Table 4.7 Influence of Risk Taking**

<b>Innovativeness - New Mkt , technology, new product</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>	<b>Std. Dev</b>
You like experimentation by introducing new products to customers.	139(35.46)	148(37.76)	11(2.81)	48(12.24)	46(11.73)	2.27	1.71
Technological ideas in your farming business has brought new products/ services. Like use of phones to advertise and receive orders	195(49.74)	53(13.52)	5(1.28)	50(12.76)	89(22.70)	2.45	1.72
Your business encourages incremental improvements in products and services	160(40.82)	97(24.74)	23(5.87)	40(10.20)	72(18.37)	2.41	1.85
You initiate innovations in every situation before the competitors responds. Like introducing new products and farming methods.	258(65.82)	88(22.45)	12(3.06)	22(5.61)	12(3.06)	1.58	1.92
<b>Composite Mean and standard Deviation</b>						<b>3.50</b>	<b>1.80</b>

Source: Research Data (2020)

Means of between 4.85 – 1.73 and standard deviations of between 1.100- 1.324 were registered. Generally the study findings revealed that majority of the respondents acknowledged that they were taking risks in their respective small scale farming businesses in Kisii County Kenya with an aggregate mean of (M=3.612). Specifically, the study findings established that given opportunity, the respondents could take loans in order to expand their respective ventures with mean (M=4.85). On the same note, the study findings also established that, the respondents were in agreement that they could venture into businesses with uncertain outcomes like new or upcoming products with a mean (M=3.89). The study findings also established that the respondents were able to interact a lot with customers to exploit for new opportunities and they had the ability to win completions in the market with means of (M=3.88) and (M=3.71) respectively. However, in regard to the respondents engaging in high Risk

investments like new employees, Machinery and loans to establish future increase of profits, the study findings established that the respondents were in a disagreement with a mean of (M=1.73) which is far below the composite mean of 3.50

#### 4.4.2 How innovativeness influence performance of small Scale farming Businesses

In regard to the effect of innovativeness, the respondents were required to indicate the extent to which they agreed to the perceived aspects of effect of innovativeness on the performance of small scale farming businesses in Kisii County. Items that were measured on a five point Likert-Type scale ranging from 1 being “Strongly Disagree” to 5 being “Strongly agree” (1- Strongly Disagree; 2-Disagree; 3-Neutral; 4- Agree; 5- Strongly Agree) and the results were presented in table 4.8

**Table 4.8 Influence of Innovativeness**

<b>Innovativeness - New Mkt , technology, new product</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>	<b>Std. Dev</b>
You like experimentation by introducing new products to customers.	139(35.46)	148(37.76)	11(2.81)	48(12.24)	46(11.73)	2.27	1.71
Technological ideas in your farming business has brought new products/ services. Like use of phones to advertise and receive orders	195(49.74)	53(13.52)	5(1.28)	50(12.76)	89(22.70)	2.45	1.72
Your business encourages incremental improvements in products and services	160(40.82)	97(24.74)	23(5.87)	40(10.20)	72(18.37)	2.41	1.85
You initiate innovations in every situation before the competitors responds. Like introducing new products and farming methods.	258(65.82)	88(22.45)	12(3.06)	22(5.61)	12(3.06)	1.58	1.92
<b>Composite Mean and Aggregate standard Deviation</b>						<b>3.50</b>	<b>1.80</b>

Source: Research Data (2020)

The study findings depicted that means of between 2.45 – 1.58 and standard deviations of between 1.923- 1.712 was registered. Generally the study findings revealed that majority of the respondents acknowledged that they disagreed that they incorporated innovativeness in their small scale farming in Kisii County Kenya with an aggregate mean of (M=2.178). Specifically, the study established that the respondents Disagreed on the element of technological ideas in their Farming business had brought new products/Services like use of phones to advertise and receive orders with a mean (M=2.45). The study findings also established that the respondents were in a disagreement on the element of their businesses encouraging incremental improvements on products and services with a mean (M=2.41). In regard to experimentations and introducing new products to the market and initiating innovation in every situation before competitors response like introduction of new farming methods, the study established that the respondents Disagrees and strongly disagreed with means of (2.27) and 1.58 respectively.

#### **4.4.3 How pro-activeness influence performance of small Scale farming Businesses**

In regard to how pro activeness influence pro-activeness, the respondents were required to indicate the extent to which they agreed to the perceived aspects of how pro-activeness influenced performance of small scale farming businesses in Kisii County. Items that were measured on a five point Likert-Type scale ranging from 1 being “Strongly Disagree” to 5 being “Strongly agree” (1- Strongly Disagree; 2-Disagree; 3-Neutral; 4- Agree; 5- Strongly Agree) and the results were presented in table 4.9

**Table 4.9 Influence of Pro-activeness**

<b>Pro activeness</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>	<b>Std. Dev</b>
You have allocated funds to deal with the emerging opportunity and threats	106(27.04)	214(54.59)	15(3.83)	32(8.16)	25(6.38)	2.12	1.33
You identify and monitor market trends to predict future trends	182(46.43)	91(23.21)	19(4.85)	56(14.29)	44(11.22)	2.21	1.52
You adopt creative methods of running business ahead of its competitors	124(31.63)	165(42.09)	13(3.32)	52(13.27)	38(9.69)	2.27	1.25
You are able to anticipate and respond to the emerging needs of customers	132(33.67)	97(24.74)	27(6.89)	74(18.88)	62(15.82)	2.58	1.24
You continually seek opportunities like new market and new customers according to the present needs	185(47.19)	96(24.49)	10(2.55)	38(9.69)	63(16.07)	2.24	1.23
You anticipate change and generate first-mover products.	203(51.79)	87(22.19)	6(1.53)	28(7.14)	68(17.35)	2.16	1.51
<b>Composite mean and Aggregate standard deviation</b>						<b>3.50</b>	<b>1.35</b>

Source: Research Data (2020)

The six statements were developed to measure the extent to which pro-activeness influence small scale farming businesses in Kisii County. Statement (1) you have allocated funds to deal with emerging opportunity and threat, out of 392 respondents who participated in the study, 106(27.04%) of the respondents strongly disagreed with the statement, 214(54.59%) disagreed, 15(3.83%) were neutral while 32(8.16) agreed and 25(6.38) strongly agreed. This item had a mean of 2.12 and a standard deviation of 1.33 which is lower than the composite mean of 5.1 implying that the statement does not positively influence performance of small scale farming business in Kenya. Statement (2) you identify and monitor market trends to predict future trends, out of 392 respondents who participated in the study, 182(46.43%) strongly disagreed



while 91(23.21%) disagreed with the statement. 19(4.85%) respondents on the other hand were neutral while we had 56(12.29%) and 44 (11.22%) respondents agreed and strongly agreed respectively. The mean for the statement 2 was 2.21 with as standard deviation of 1.52 which transforms to the statement not influencing small scale farming businesses positively. According to statement (3) you adopt creative methods of running business ahead of its competitors, the total respondents were 392 with the response rates of 124(31.63%) strongly disagree, 165(42.09%) disagree, 13(3.32%) neutral, 52(13.27%) agree while 38(9.69%) strongly agree and with a mean of 2.27 which is way below the composite mean of 3.50 and a standard deviation of 1.25 translating it to the statement not influencing the small scale farming business in Kisii county.

The study findings depicted that means of between 2.58 – 2.12 and standard deviations of between 1.520- 1.234 was registered. Generally the study findings revealed that majority of the respondents acknowledged that they disagreed that they incorporated pro-activeness in their small scale farming in Kisii County Kenya with an aggregate mean of (M=2.263). Specifically, the study established that the respondents Disagreed on the element of allocating funds to deal with emerging opportunities and threats with mean of (M=2.12). The study also established that the respondents were in a disagreement on the element of monitoring market trends and predicting future trend with a mean of (M=2.21). In regard to adopting creative methods of running business a head of their respective competitors, anticipating and responding to the emerging needs of customers, seek opportunities like new market and new customers and anticipating change and generate fast moving products, the study established that the respondents were in disagreement with means of (M=2.27), (M=2.58), (M=2.24) and (M=2.16) respectively.

## 4.5 Business Performance

The study sought to establish the level of performance of small scale farming businesses in Kisii County Kenya. Specifically, the study focused on establishing employee recruitments, profitability and service and goods delivery of small scale farming businesses in Kisii County Kenya.

### 4.5.1 Number of Employees

Number of employee's highlights the size of the firm, rate of growth and competitive advantages of the firm due to diversified skills and knowledge required in order to remain in the market. This study therefore sought to establish the number of employees in these small scale farming businesses in Kisii County. In this study, majority of the businesses had 0-1 employees (180 respondents) accounting for 45.9% followed by 2-3 (110), 3-4 (72) accounting for 28.1% and 18.4% respectively and those with more than 5 employees accounted for the least representation (30) accounting for 7.6% and result were tabulated in table 4.10

**Table 4.10 Number of Employees**

<b>Number of Employees</b>	<b>Number</b>	<b>Percentage (%)</b>
0-1	180	45.9
2-3	110	28.1
4-5	72	18.4
More than 5	30	7.6
<b>Total</b>	<b>392</b>	<b>100</b>

Source: Research Data (2020)

### 4.5.2 Profit

This study also sought to establish value of average monthly profits earned from the small scale farming businesses in Kisii County within the year 2020. In this study, majority of the

businesses had attained an average profit of less than 10,000 (163 respondents) accounting for 41.6% followed by those with a profit of between 10,000-20,000 (126 respondents) accounting for 32.0%. The study also established that those with profit between 21,000-50,000 (61 Respondents) accounted for 15.7% and those with more than 50,000 profit accounted for 10.7% and the results were represented in table 4.11

**Table 4.11 Profits**

<b>Profits</b>	<b>Number</b>	<b>Percentage (%)</b>
Less than 10,000	163	41.6
10,000-20,000	126	32.0
21,000-50,000	61	15.7
More than 50,000	42	10.7
<b>Total</b>	<b>392</b>	<b>100</b>

Source: Research Data (2020)

#### **4.5.3 Delivery of Goods/Services after Order**

This study also sought to establish the efficiency and effectiveness of goods and service delivery of small scale farming businesses in Kisii County. The respondents were therefore asked to indicate how fast they could deliver goods after an order. The study findings established that most of the small scale farming businesses in Kisii County Could deliver an order between 2-5 days after receiving an order (210) accounting for 53.6%. These were followed by those who could deliver within one day (120) accounting for 30.96% and then those who could deliver after 5 days upon receiving an order (62) accounting for 15.8% and the result was tabulated in table 4.12.

**Table 4.12 Rate of Delivery**

<b>Profits</b>	<b>Number</b>	<b>Percentage (%)</b>
Within 1day	120	30.6
2-5 Days	210	53.6
Above 5 Days	62	15.8
<b>Total</b>	<b>392</b>	<b>100</b>

Source: Research Data (2020)

## CHAPTER FIVE

### DISCUSSION, SUMMARY, CONCLUSION, AND RECOMMENDATIONS√

#### 5.1 Introduction

This chapter presents the discussion of the findings, summary of findings after the analysis of the research, conclusion after interpreting the results and recommendations for practice and policy implication as well as areas for further research.

#### 5.2 Discussions

This section explains the results regarding effect of entrepreneurial orientation (EO) on the performance of small scale farming businesses in Kisii County Kenya. The presentation of this section is guided by study objectives. Finally, the chapter presents discussions on how the findings relate to existing studies and findings from empirical studies. As part of the introduction, demographic results are discussed in this section.

##### 5.2.1 Demographic Information

The findings on the gender and marital status of the respondents indicated most of the participants were female accounting for 66% while male accounted for 34%. On the other hand 65% married and 35 single respectively. This generally implies that the study captured above the minimum expected gender representation in accordance to the two third gender rule in our Kenyan Constitution. The study findings also indicated that most of the productive members of the society in Kisii County were female with 66% representation in the farming sector which is considered to be the backbone of the Kenya.

In the same regard, the findings on the age bracket of the respondents established that majority of the participants were between 41-50 Years at (40.8%). This category of respondents was

followed by those who aged between 31-40 at (30.6%) while those between 20-30 Years accounted for (15.3%) and those over 50 Years and below 20 Years accounted for the least representation accounting for (7.7%) and 5.6% respectively. Based on these findings, it is clear that most of the respondents were grown up who had an average of productive age in Kisii County Kenya.

In regard to the level of education, the study findings established that most of the respondents had attained primary school education level accounting for 46.8% while those with Secondary School level education accounted for 25.0% and those with Certificate/ Diploma, University and Postgraduate level of education accounted for the least representation that is 13.2% 8.7% and 6.3% respectively. This implies that most of the small scale farming businesses were managed by majority who were semi-skilled and hence very difficult to embrace and even come up with new ideas except copying the existing ones.

The study established that majority of the findings established that majority (180 respondents) accounting for 45.9% had been in their businesses for a period of over 5 years, followed by (160 respondents) accounting for 40.8% had been in their business for a period of between 4-5 years. The study established that those who had experience of between 2-3 years and between 0-1 years accounted for the least representation of 7.7% and 5.6% respectively. Based on these findings, the study established that most of the small scale farming businesses had been in existence for a period of over 5 years and therefore understood the markets they were operating in.

Lastly, in terms of the structure the study sought to establish the structures of the small scale farming businesses existing in Kisii County Kenya. The study findings established that,

majority of the business entities (200 respondents) accounting for 51.0% were not aware of the structure of their businesses. This implies that they were either not registered family businesses or the owners were not informed of the nature businesses they engaged themselves. The study also established that (130 respondents) accounting for 33.2% were sole traders. Jointly owned/partnership businesses and limited Companies accounted for the minimal representation (52 and 10 respondents) accounting for 13.3% and 2.5% respectively.

### **5.2.2 Risk Taking and performance of small scale farming businesses**

On the to the effect of risk taking on the performance of small scale farming Businesses in Kisii County, the study findings revealed that majority of the respondents acknowledged that they were taking risks in their respective small scale farming businesses in Kisii County Kenya with an aggregate mean of (M=3.612). Specifically, the study findings established that given opportunity, the respondents could take loans in order to expand their respective ventures with mean (M=4.85) conquering with Lumpkin (1996) in regard to risk-taking entrepreneurial orientation alongside which opportunity pursued. On the same note, the study findings also established that, the respondents were in agreement that they could venture into businesses with uncertain outcomes like new or upcoming products with a mean (M=3.89). The study findings also established that the respondents were able to interact a lot with customers to exploit for new opportunities and they had the ability to win completions in the market with means of (M=3.88) and (M=3.71) respectively. However, in regard to the respondents engaging in high Risk investments like new employees, Machinery and loans to establish future increase of profits, the study findings established that the respondents were in a disagreement with a mean of (M=1.73).

Based on the findings of this study disagrees with the scholar Wanjau and Mungatu (2016) who evaluated risk taking on business performance and in their findings they established that risk taking had a negative impact on customer performance because it is costly thus the study supports the study gap in knowledge on risk taking influences business performance in small scale farming businesses in Kenya, Kisii county.

Entrepreneurs should take calculated risk in farming business as well as exploring in business activities considering the business environment. Dynamics environment require greater level consideration of the dynamics of the business environment. Dynamic environments require organizations to increase decision making speed in responding to environment changes. Failure of firms to adopt risky behavior, in dynamic environments results in loss of market share, as well as falling behind competitors willing to accept the risk and pursue a more aggressive strategic approach. In view of the importance of risk taking, entrepreneurs should always aggressively exploit potential opportunities regardless of the uncertainty. They should be willing to accept a certain level of risk.

### **5.2.3 Innovativeness and performance of small Scale farming Businesses**

In regard to the how innovativeness influence on performance, the study findings revealed that majority of the respondents acknowledged that they disagreed that they incorporated innovativeness in their small scale farming in Kisii County Kenya with an aggregate mean of (M=2.178). This could be attributed to lack of sufficient education. Specifically, the study established that the respondents Disagreed on the element of technological ideas in their Farming business had brought new products/Services like use of phones to advertise and receive orders with a mean (M=2.45). The study findings also established that the respondents were in a disagreement on the element of their businesses encouraging incremental



improvements on products and services with a mean (M=2.41). In regard to experimentations and introducing new products to the market and initiating innovation in every situation before competitors response like introduction of new farming methods, the study established that the respondents Disagrees and strongly disagreed with means of (2.27) and 1.58 respectively.

According to the findings this research disagrees with the scholar Ngungi(2017) who had conducted a study on influence of intellectual capital on the growth of small and medium enterprises. The findings in the research reveals that innovativeness does not influence performance of small scale farming businesses in Kisii County.

Based on the study and on the situation at the moment in Kenya, the entrepreneurs should strive to be innovative within their financial ability and in consideration of whether the business environment is hostile or not. The entrepreneur should choose to strive to regularly introduce improvement of an existing product and product processing as well. This will enable the entrepreneur to capture new markets. The entrepreneur should also embrace new technology through allowing mobile money as a means of payment and online platforms as means of payments.

#### **5.2.4 Pro-activeness and performance of small Scale farming Businesses**

In regard to how pro-activeness influence performance of small scale farming businesses, the study findings revealed that majority of the respondents acknowledged that they disagreed that they incorporated pro-activeness in their small scale farming in Kisii County Kenya with an aggregate mean of (M=2.263). Specifically, the study established that the respondents Disagreed on the element of allocating funds to deal with emerging opportunities and threats with mean of (M=2.12). The study also established that the respondents were in a disagreement

on the element of monitoring market trends and predicting future trend with a mean of (M=2.21). In regard to adopting creative methods of running business a head of their respective competitors, anticipating and responding to the emerging needs of customers, seeking opportunities like new market and new customers and anticipating change and generate fast moving products, the study established that the respondents were in disagreement with means of (M=2.27), (M=2.58), (M=2.24) and (M=2.16) respectively. Based on the findings pro-activeness would enable small scale farming business to better capitalize on opportunities leading to a competitors advantage which is conflicting to the study carried out by Wambugu et al., (2016) who established on his study that pro-activeness influence positively performance of small and medium size enterprises in Kenya. It is an entrepreneurial action to anticipate future opportunities in terms of products, technology and consumer demand changes. Entrepreneurs should always be forward looking and be leaders to spot new opportunities and going for them.

### **5.3 Summary of Main Findings**

This study sought to establish the how entrepreneurial orientation influence performance of small scale farming businesses in Kisii County Kenya. Specifically, the study sought to establish the risk taking, innovativeness and pro-activeness influence on the performance of small scale farming businesses in Kisii County Kenya. The study findings established that risk taking had a great influence on the performance of the small scale farming businesses in Kisii County. The study findings also depicted that innovativeness and Pro-activeness were critical for the performance of small scale farming businesses in Kisii County Kenya. However, the findings of this study indicated that the entrepreneurs from the target population lacked

necessary knowledge, skills and accessibility to resources which has hindered the growth of their businesses regardless of enough experience in their respective areas of business.

#### **5.4 Conclusion**

Since the study established that most of these entrepreneurs lacked sufficient education, the Government should also create knowledge based orientations for the skilled and semi-skilled who venture in small scale businesses. This could improve creativity and sharing of technological resources in order to increase productivity which in the long run will lead to improved performance of small scale farming businesses to improve the agricultural sector hence boosting the economy.

#### **5.5 Recommendations**

Based on the study findings it was established that most of the entrepreneurs lacked sufficient education as a result the researcher recommends that governments should endeavor to establish policies to ensure all entrepreneurs are equipped with necessary knowledge and skills in order to improve on the performance of their business ventures. On the other hand, the government should create knowledge based orientation for the skilled and semi-skilled who venture small scale businesses to improve the creativity and sharing of technological resources in order to increase productivity which in the long run will lead to improved performance of agricultural sector and hence boosting the economy.

#### **5.6 Areas of Further study**

This study only focused on how entrepreneurial Orientation influence performance of Small Scale farming Businesses in Kisii County which limited the study coverage. This study

therefore recommends that other studies to be done in different regions such as pastoral areas and other arable regions of the Country in order to establish the validity of these findings.

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## **APPENDIX I: QUESTIONNAIRE**

### **Small Scale Farmers Business questionnaire**

Dear Respondent

This is to request you to kindly take a few minutes to reflect and answer the following questions. Note that the information given shall exclusively be used for the sake of this study being undertaken by the undersigned African Nazarene University.

Thank you for your cooperation.

Kezia Machuki

### **Instruction**

This questionnaire has twelve questions with two sections. Section A has six questions and you are allowed to select only one answer for each question while section B has six questions too with different instructions for each.

### **SECTION A**

#### **Demographic Factor questions**

##### **Questions**

Q1. Gender \_\_\_\_\_ (Male/ Female)

Q2. Marital Status \_\_\_\_\_ (Married/ Single)

Q3. Age \_\_\_\_\_

- a) Below 20 years
- b) 20 -30
- c) 31- 40
- d) 41-50
- e) More than 50

Q4. What is your level of Education?

- a) Primary
- b) Secondary
- c) Certificate /Diploma
- d) University degree
- e) Post graduate

Q5. How long have you ventured into this business?

- a) 0 - 1years
- b) 2 – 3 years
- c) 4 -5 years
- d) More than 5 years

Q6. What is the structure of your business?

- a) Sole trader
- b) Jointly owned/ partnership
- c) Limited company
- d) Others

## **SECTION B**

### **Entrepreneurial Orientation questions**

#### **Risk taking questions**

Q7. What is your level of agreement with the following statements in relation to the effect of risk taking on the performance of Small-scale farming business in Kisii County? Use a scale of 1-5 (1- Strongly Disagree; 2-Disagree; 3-Neutral; 4- Agree; 5- Strongly Agree)

<b>RISK TAKING</b>	1	2	3	4	5
You venture into uncertain outcomes like new or upcoming products.					
You engage in high risk investment like new employees, machinery and loans to stimulate future increase of profits					
You interact a lot with customers to explore new opportunities					
You have the ability to win the competition in the market					
Given opportunity, You can take loans in order to expand the business and increase the productivity					

Q8. What is your level of agreement with the following statements that relate to the effect of innovativeness on the performance of small-scale farming business in Kisii County Kenya?

Use a scale of 1-5 (1- Strongly Disagree; 2-Disagree; 3-Neutral; 4- Agree; 5- Strongly Agree)

<b>Innovativeness - New Mkt , technology, new product</b>	1	2	3	4	5
You like experimentation by introducing new products to customers.					
Technological ideas in your farming business has brought new products/ services. Like use of phones to advertise and receive orders					
Your business encourages incremental improvements in products and services					
You initiate innovations in every situation before the competitors responds. Like introducing new products and farming methods.					

Q9. What is your level of agreement with the following statements that relate to the effect of pro-activeness on the performance of small-scale business in Kisii County Kenya? Use a scale of 1-5 (1- Strongly Disagree; 2-Disagree; 3-Neutral; 4- Agree; 5- Strongly Agree).

<b>Pro activeness</b>	1	2	3	4	5
You have allocated funds to deal with the emerging opportunity and threats					
You identify and monitor market trends to predict future trends					
You adopt creative methods of running business ahead of its competitors					
You are able to anticipate and respond to the emerging needs of customers					
You continually seek opportunities like new market and new customers according to the present needs					
You anticipate change and generate first-mover products.					

**Performance questions**

Q10. What is the number of employees in your firm?

<b>Number of employees</b>	<b>Jan – March 2020</b>	<b>Apr – Jun 2020</b>
0-1		
2 -3		
4 -5		
More than 5		

Q11. How much profits were earned during the year 2020?

<b>Profits earned (Ksh.)</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>
less than 10,000						
10,000 -20,000						
21,000 - 50,000						
more than 50, 000						

Q12. How fast do you deliver the goods after an order?

- a) Within 1 day
- b) 2 – 5 days
- c) More than 5 days

**Thank you for your time and cooperation.**

END

**APPENDIX II: TABLE FOR DISTRIBUTION OF SAMPLE**

**Table 3.1 Distribution of sample**

<b>Sub Counties</b>	<b><i>Total population</i></b>	<b><i>Sample size</i></b>
Kitutu chache North	21,120	37
Bonchari	21,936	39
South Mogirango	28,072	49
Bobasi	37,230	65
Bomachoge Borabu	20,459	36
Bomachoge chache	17,401	31
Nyaribari chache	32,401	57
Nyaribari masaba	24,620	43
Kitutu Chache south	24,601	43
<b>Total</b>	<b>227,840</b>	<b>400</b>

**Source: Researcher survey data**



**APPENDIX III: INTRODUCTION LETTER**

2<sup>nd</sup>, September 2020

E-mail: [researchwriting.mba.anu@gmail.com](mailto:researchwriting.mba.anu@gmail.com)

Tel. 0202711213

*Our Ref:* 19J03EMBA015

The Director,  
National Commission for Science,  
Technology and Innovation (NACOSTI),  
P. O. Box 30623, 00100  
Nairobi. Kenya

Dear Sir/Madam:

**RE: RESEARCH AUTHORIZATION FOR: KEZIA BONARERI MACHUKI**

Miss. Kezia is a postgraduate student of Africa Nazarene University in the Master of Business Administration (MBA) program.

In order to complete her program, Miss. Kezia is conducting a research entitled: “**Effect of Entrepreneurial Orientation on Performance of Small-Scale Farming Businesses in Kisii County, Kenya**”

Any assistance offered to her will be highly appreciated.

Yours Faithfully,



**For DR. Kimani Gichuhi,  
MBA, Coordinator,  
School of Business,  
Africa Nazarene University.**



**APPENDIX V: MAP OF STUDY AREA**

