Factors Influencing the Growth of Hair Salon Enterprises in Kenya: A Surveyof Hair Salon Enterprises in Kisii Town

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Abstract: *Various studies carried out in Kenya show that hair salons do not show the expected upward growth despite their numbers soaring up. Their economic contributions minimal. The general objective of the study was to establish the influence of entrepreneur's characteristics on the growth of hair salon enterprises in Kenya. Specific objectives of the study were: to establish the influence of the entrepreneur's experience on the growth of hair salon enterprises; to establish the influence of the entrepreneur's training on the growth of hair salon enterprises; to establish the influence of the entrepreneur's level of education on the growth of hair salon enterprises..*

*Self-administered questionnaires and interview schedules were used for data collection. The sample size for the study comprised 92 owner-managers, one county trade officer, and one MSEDO totaling to 94 respondents. Data were processed and analyzed using the statistical package for social scientists (SPSS) version 19 and Microsoft Office Excel 2013. Data were analyzedusing descriptive statistics (mean, mode, median, and standard deviation), inferential statistics (correlation analysis and simple linear regression) and ANOVA. t-test was used to test the study hypothesis at 0.05 confidence level. Reliability test gave a Cronbach alpha of **0.954**and a value of**0.893**based on standardized items.*

It emerged that entrepreneur's experience, level of education and training influence growth.
The study recommended that the government provides intensive training and other support services for the small enterprises to grow, offer an enabling environment for to support the small enterprises. Further, there should be information centers in every county and sub-county where MSEs obtain support.
Key words: *Entrepreneurship, Growth, MSEs, Business Experience, Training, Education Level, Medium enterprises, Small enterprises.*

I. Introduction

1.1. Background of the Study

A vibrant private sector that builds on the combined linkages between MSEs and large enterprises supported by good governance and an enabling business environment have been considered as the backbone and engine of a healthy economy and society. Especially in developing economies, people regard entrepreneurship as a precondition for generating employment, enhancing productivity, maintaining competitiveness, contributing to development and reducing poverty (EBRD, 2004).

1.2. An overview of MSEs the world over

Micro and Small enterprises (MSEs) form the backbone of all economies. They are a key source of economic growth, dynamism and flexibility in advanced and industrialized countries, as well as those that are emerging and developing. MSEs constitute the dominant form of business organization, accounting for over 95per cent and up to 99per cent of enterprises depending on the country. They are responsible for between 60-70per cent net job creation in Organization for Economic Co-operation and Development (OECD) countries. Small businesses are particularly important for bringing innovative products or techniques to the market (OECD, 2006).

In Nigeria, MSEs account for 95 percent of formal manufacturing activity and 70 percent of industrial jobs. In South Africa, micro and small firms provide more than 55 percent of total employment and 22 percent of GDP (OECD, 2005). According to European Observatory (ENSR, 1997), MSEs employing up to 250 people accounted for 68 million jobs in the European Union. Furthermore, available data from some African countries

show that MSEs in Kenya employ over 3.2 million people and account for 18 percent of the national GDP. The World Bank notes that micro, small and medium enterprise (MSME) sector contributes about 30.5per cent of a country's GDP and 41per cent of non-agricultural GDP (World Bank, Kenya financial sector background note). The most commonly quoted figure by different sources relating to value added contributions of the MSEs, is seen to be varying between 45 and 50 per cent (World Bank, 2002). Together, reports indicate that the various categories of MSEs contribute between 80 to 85 per cent of industrial employment and 23 per cent of total civilian employment (SEDF, 2003).

However, serious controversies surround their relative contribution to industrial output due to the paucity of reliable information and different methods used to estimate the magnitude. Despite the apparent significance associated with these firms and the numerous policy initiatives introduced by African governments during the past two decades to accelerate the growth and survival of MSEs in the African region, their performance in Africa has been disappointing. The mortality rate of MSEs in Africa remains very high as noted in the Business Time (1990). Mead (1990) in his study of five African countries found out that most firms started with one to four employees and never expanded. Furthermore, less than one percent grew to a size of 10 employees.

Several papers that estimate returns to capital for microenterprises using field experiments find that some firms generate very high returns (McKenzie & Woodruff, 2006, 2008). McKenzie and Woodruff (2008) citing a case of Mexico found out that the estimated monthly returns for micro enterprises was in the range of 20-33per cent. These are well above the rates charged by most formal lenders and suggest that some micro entrepreneurs have the capacity to grow their way into higher levels of capital, employees, and income.

1.3. An overview of MSEs in Kenya
Recent private sector survey in Kenya by Daniels (2003) estimates the contribution of the micro, small and medium size enterprises (MMSEs) to be between 20 and 25 per cent of GDP. All these point towards the very important role that MSEs play in Kenya's economy in terms of output, employment, and private sector activities.

Micro enterprises are a major source of employment in most countries. It is estimated that today, Kenya's SME sector constitutes 90per cent of all businesses in the country. The sector absorbs up to 50per cent of new non-farm employment seekers annually and has an employment growth rate of 12-14per cent. It contributes 30per cent of total employment and three per cent of GDP (Riley, 2002. Nyoike (2003) further argues that a number of initiatives have been started aimed at improving the enabling environment, expanding access to credit and improving access to technical training and business services. MSEs are attractive because they are labor intensive, require low initial capital and there is ease of entry (Wickman, 2000).

According to the Economic Survey (2006), the sector contributed over 50 percent of new jobs created in the year 2005.

Kenya's SME policy as outlined in Sessional Paper Number 2 (RoK, 2005) clearly show that the sector is not only a provider of goods and services but also a driver in promoting competition, innovation and enhancing the enterprise culture which is necessary for private sector development and industrialization. The sector should effectively respond to challenges of creating productive and sustainable employment opportunities, promoting economic growth and poverty eradication in the country. The Sessional paper further provides a framework that will support research and promote product design, development, and quality control. MSEs will play a significant role in contributing to the national goal of wealth creation and making Kenya an industrialized country.

1.4. An overview of the hair salon industry in Kenya
The hair and beauty industry has for long been accorded inferior consideration and even gone neglected by key players in the economic sector altogether. People look at it as unprofessional and something that one does, not much out of choice, but as a last resort or as a supplementary source of income. Evidence provided shows that school dropouts and failures, for many years, pursued careers in this industry (Stephanie, 2002).
However, hair salons fall undress which, like any other, face unique challenges like lack of quality access to requisite information, unavailability of credit, poor market research and lack of market for their products. Despite these challenges, they play a significant role in providing employment opportunities.

A major characteristic of the salon business is that they contend with very high rate of staff turnover. Winnie (2005) termsthis as both a legal and human resource management challenge because most salon employees never sign up employment contracts and more often than not, salon owners and managers do not motivate their employees. Interestingly, when the staff move from one salon to another, they normally migrate with their clients in retaliation. This is an issue that salon owners do not seem to have control of (Winnie, 2005).

The recent years have seen the industry witness an evolution of mobile hairdressers and beauticians, garden services and free lancers who operate from their homes. Many beauty shops have sprang up in every

neighborhood of this country, brewing a growth ofpartnerships between beauty product manufacturers and salons (Jane, 2005).

People have become keener on health issues, a phenomenon which has prompted many salons to incorporate aspects like gyms and fitness centers to be able to cater for the changing needs of their clients. In others, the salons have resorted to offering extra services like serving refreshments, sponsoring beauty pageants, and involving their hairdressers in hair dressing competitions. These extras serve to create awareness for their existence as noted by Irene (2005).As Irene (2005) noted, it is an industry where just anybody with enough ambition can start an enterprise and make money. Its clientele includes photo studios, Television presenters, VIPs, brides, schoolchildren, and, actually, everyone.

The modern society has continued to develop awareness, need of personal grooming, and the need to maintain personal hygiene and natural beauty. Clients are therefore keen to go for professional advice more and more often leading to many people today seeking out for salons with well trained and qualified personnel (Carol, 2002).As a result, rife competition by salon owners for highly trained staff has emerged. The industry is very dynamic. Hairstyles, just like fashions, come and go within a short time. This requires highly trained and educated staff. This keeps them updated with industry demands and ensures that they can offer quality products and services.

Many small salons have sprouted in the outskirts of the central business districts in virtually every corner and nook of every town. This has steepened the competitiongradient.Demand for male hairdressers is increasing and as such, there is a rise in the need for sophisticated salons. Now clientele need specialized salons like facial and massage rooms, kitchen, reception and even the manager's office (Jane, 2005).

1.5.   Measuring Growth

Previous research reveals that firm growth is a multidimensional phenomenon. There is substantial heterogeneity in a number of factors associated with firm growth and related research (Delmar *et al*., 2003). The commonly used measures of firm growth include: employment growth, sales growth, profit, return on equity [ROE], return on assets [ROA] and entrepreneurs' perceived growth relative to their competitors in terms of increase in company value (Leona *et al*., 2010). Comprehensive reviews of the different indicators and formulas used when measuring growth empirically have been conducted, for example, by Delmar (1997).

Measuring sales growth and relative employment growth during a specific time is the most common indicator used (Davidsson, Delmar & Gartner, 2006). Assets, market share, profits, and output have also been used although output and market share vary greatly within industries making it difficultto make comparisons. It is difficult to use total assets as this depends on the industry's capital intensity. Further still, it changes over time. Using employment numbers is an easily accessible measure. Inflation and exchange rates affect sales figures thusdifficult to compare between industries. Davidsson, Delmar and Gartner, (2006) recommend that it is necessary to use multiple growth indicators to study firm growth.

Lind (2005) observed that MSEs in developing countries generally have lower productivity than those in developed countries. As such, because a country's productivity level is a major indicator of improved living standards, profit should be one of the important indicators of growth.

1.6.   Statement of the Problem

Various studies that have been carried out on Kenya show that micro and small enterprises face many challenges that make them not to grow as expected (KIPPRA, 2002). There is a general concern that hair salon microenterprises are not growing in terms of employment and sales in Kenya. The number of salons coming up may be astronomical but their output in terms of sales and economic contributions are minimal.

Despite efforts by financial institutions and public sector bodies to close funding gaps, hair salon enterprises continue to have trouble in obtaining capital. These funding gaps relate to firm size, risk, knowledge, and flexibility. In addition, borrowing requirements by hair salon are small. Yet more collateral may be required than they can pledge. Further, the financial institutions may lack expertise in understanding MSEs and flexibility in terms and conditions (PECC, 2003).Despite their significance, past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007).

It is argued that despite cases of facilitated access to credit and reflected signs of growth, expected upward growth have not shown up. An analysis of the factors that contribute to the growth of hair salon enterprises is necessary to inform of the possible ways to ensure growth of these enterprises owing to the enormous contribution they make to the overall economy of the country (KIPPRA, 2002). This study, therefore sought to establish the influence of entrepreneur's characteristics on the growth of hair salon enterprises in Kenya to.

1.7.   General objective of the study
        The general objective of the study was to establish the influence of entrepreneur's characteristics on the growth of hair salon enterprises in Kenya.

1.8.   Specific objectives of the study
The specific objectives of the study were:
1).   To establish the influence of the entrepreneur's experience on the growth of hair salon enterprises.
2).   To establish the influence of the entrepreneur's training on the growth of hair salon enterprises.
3).   To establish the influence of the entrepreneur's level of education on the growth of hair salon enterprises.

1.9.   Research questions
The research questions for the study were as follows:
1).   What is the influence of entrepreneur'sexperience on the growth of hair salon enterprises?
2).   What is the influence of entrepreneur's training on the growth of hair salon enterprises?
3).   What is the influence of entrepreneur's level of education on the growth of hair salon enterprises?

1.10.   Scope and Limitations of the study
        The study covered onlyhair salon enterprises in Kisii Town, Kisii County, Kenya. The respondents of the study were the proprietors of the surveyed hair salon enterprises, trade officer, and district development officer (DDO).
        The study was not without limitations. Information from interviewees and respondents was not easily forthcoming. Some respondents deliberately withheld information and some were not giving accurate data and information. Some respondents were outright rude and uncooperative. Some went out of their way to offer information only if they were provided with monetary benefits. Strangely some even acted suspicious thinking that they were being followed by the county authorities and thus were hostile to the extent that they could even chase the interviewer or research assistant. Due to the vast nature of the town and the numerous number of hair salons in Kisii Town, only a few salon enterprises were sampled.

II.   Literature Review

2.1.   Introduction
        Various theories of growth have been presented by different scholars over time as presented in the literature here below. Differentfactors influence the growth of MSEs.These factors are divided into: entrepreneur characteristics, firm characteristics, and strategic factors. These aspects are discussed under.

2.2.   Theories of growth of MSEs.
        The growth of MSEs has been attracting a great deal of interest among researchers for the key roles that the sector plays in the economy of any nation, developed or otherwise. Each research followed a different direction due to differences in perspectives and theoretical backgrounds, empirical contexts, model and analysis approaches, and the inherent complexity of the nature of growth itself (Davidsson *et al*, 2006; Storey DJ, 1994, 2000).
        Some researchers have attempted to categorize the researches on growth of enterprises into specific models and Storey (2000), cited in Curran (1997), noted that there are three models for researching growth: strategic models, personality-based models, and descriptive models. Davidsson *et al* (2006) on the other hand did similar work when reviewing research projects on small firms' growth and suggested two models of growth "stages constraints" and "growth antecedents and determinants." The stage models account for the growth processes in the form of life cycle or stage or transition throughout the entire life of an organization. The models explain the life cycle of growth and development of organizations.

2.2.1.   Lifecycle Models.
        Life cycle models tend to concentrate on the various stages or cycles that organizations or enterprises go through by. Such stages include start-up, growth, maturity, and decline (Storey, 2000; Davidsson, 2006; Greiner, 1972; Churchill & Lewis, 1983; Scott & Bruce, 1987).The other type of models emphasize on the problems that organizations face during their growth (Davidsson *et al*, 2006). These problems involve those of growth transition and managerial roles. These models are limited in the sense that not all enterprises start at the first stage and move to the final stage. Furthermore, management roles do not move at the same time with their related stage (Scott & Bruce, 1987).

2.2.2. Growth Antecedents and Determinants Models.

These models referred to the factors or determinants that affect firm growth. These include both direct and indirect effects of the factors. Curran (1997) called both personality-based models and descriptive models as "descriptive models."Basically the two models are the same. The reason for separating personality-based models from "descriptive models" is due to Davidsson (1991). In his model, the determinants are ability, need, and opportunity, as well as the entrepreneur's perception of each of these groups.

2.2.3. "Descriptive" Models.

Storey (1994) summarized the other "descriptive models" in a framework which was adopted by Barkham *et al* (1996). In this framework, the influences on growth emerged into three groups of factors: the starting resources of the entrepreneur, the firm, and strategy as shown in the figure below.
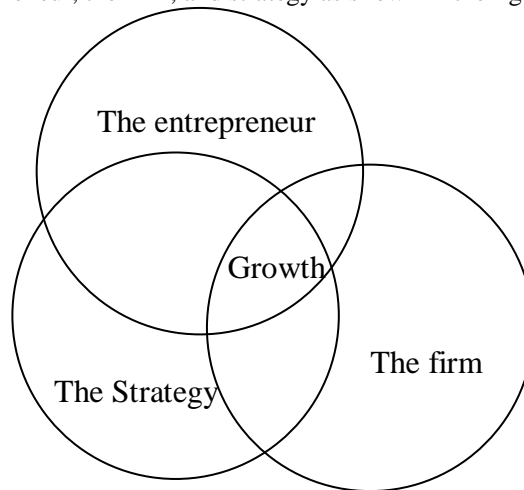

Figure   2-1: Growth of MSEs

Source: Storey D. J. (1994)

Growth in small firms is the result of the direct and indirect influences of these three separate but interrelated sets of factors. The table below shows the factors that go under each of the domains highlighted in figure 2.1 above.

Table   2-1: Factors Influencing Growth in Small Enterprises

The entrepreneur/resources		The firm		Strategy	
1.	Motivation	1.	Age	1.	Work force
2.	Unemployment	2.	Sector	2.	Management training
3.	Education	3.	Legal form	3.	External equity
4.	Management experience	4.	Location	4.	Technological advancement
5.	Number of founders	5.	Size	5.	Market positioning
6.	Prior self-employment	6.	Ownership	6.	Market adjustments
7.	Family history			7.	Planning
8.	Social marginality			8.	New products
9.	Functional skills			9.	Management recruitment
10.	Training			10.	State support
11.	Age			11.	Customer concentration
12.	Prior business failure			12.	Competition
13.	Prior sector experience			13.	Information and advice
14.	Prior firm size experience			14.	Exporting
15.	Gender				

Source: Storey D. J. (1994)

Causes of growth in small manufacturing firms in the UK were investigated by Barkham *et al* in (1996) using ordinary least squares (OLS) regression techniques. The investigation was only on the direct effects of firm characteristics, the entrepreneur characteristics, business strategy, and constraints to growth in turnover. They concluded that it was possible to explain growth in small firms in terms of these three groups of variables. Doing a similar research in Vietnam, the focus was only on firm characteristics such as firm size, firm age, ownership structure, and location (Hansen *et al*, 2005).

2.3.   Factors influencing growth of MSEs

Lévy and Powell (2005) argued that a combination of the entrepreneur, strategy and the firm organization determined growth.

2.3.1.   The entrepreneur characteristics/resources

Knowledge, skills, and abilities constitute human capital which is an important input for organizations and employees' continuous improvement. These Knowledge, skills, and abilities determine business success and give positive impact on firm growth (Hoxha, 2009).

2.3.1.1. Business experience
Work experience is likely to give to the entrepreneur some specific knowledge and managerial capabilities, which can help in developing more successful strategies leading to higher growth rates. However, empirical evidence on this issue remains elusive. A study by Friar and Meyer (2003) showed that previous experience and growth were negatively correlated.However,Bosma *et al.* (2004) study reported a positive relationship between entrepreneur's previous work experience as an employee and firm growth. Further research is required to elucidate this quagmire.

2.3.1.2. Training
A firm's growth depends on the managerial knowledge of the owner-manager. Training employees makes them more productive and qualitative and also influences their effectiveness, efficiency, and motivation. Macpherson and Holt (2007) argue that trained managers are likely to better manage the firm's resources to the inclusion of human resources.

Poor management and accounting practices hamper the ability of small enterprises to mobilize financial and other resources. Level of training of the owner manager is a key factor determining the growth and success of an enterprise (Levy & Powell, 2005).

Training adds the owner's skills, enhances knowledge and network, fosters technology transfer, develops commercial activities, and ensures acquisition of new and better management techniques as noted by Roomi *et al.* (2009).

Training motivates employees towards growth orientation, and encourages change of behavior in the work place (Singh and Belwal, 2008).Enterprises which offer their employees with business training have a higher level of assets and sales revenue which in turn may affect the earnings and productivity of firms(Kessy and Temu, 2010).

2.3.1.3. Education background
As Morara and Mureithi (2009) posited, education is one of the factors that influence growth of firms. Those entrepreneurs with larger stocks of human capital in terms of education and vocational training are better-placed to rightly position their enterprises in the ever-changing business environments. Finance should be coupled with education, skills, and training for enterprises to graduate from micro enterprises to medium enterprises (King &McGrath, 2002; Bowen, Morara, Mureithi, 2009).

Owner-managers need to acquire those attributes that enable them to look into the opportunities available to the firm and handle the underlying challenges. Enterprises where the owner-manager has better level of education have better chances of dealing with any challenges that their enterprises come across, and make the most out of the opportunities that present themselves to the firm (Souitaris *et al.*, 2007).

Formal education may provide entrepreneurs with a greater learning capacities about new production processes and product designs, specific technical knowledge conducive to firm expansion, and flexibility of the owner. Zuhdi (2005) further noted that owner-managers with more formal education have competitive advantage with core values of sincerity, simplicity, individual autonomy, solidarity and self-control.

A strategic training plan and a specific budget for training can attract, retain, and motivate high quality employees with effective transferable skills through the existence of a training program (Bowen, Morara, Mureithi, 2009).

Tambunan (2009) noted that provision of credit is not successful without offering entrepreneurs with non-monetary support in terms of management education and technical training, consultancy, marketing approaches, market information, common facilities and promotion activities, which aim at exposing their products and the enterprises themselves which relates to the industry growth as a whole.

2.4. Conceptual Framework
The conceptual framework summarizes behaviors and provides explanations and predictions for the majority number of empirical observations (Cooper& Schindler, 2008).Storey (1994) proposed that factors influencing performance in small firms derive from three components; the owner-manager, the firm, and the strategy employed by the firm.
Storey's (1994) three component model was adapted for this study with emphasis on only owner-manager characteristics (entrepreneur's business experience, training, and level of education). The study had only one dependent variable: salon enterprise growth. Figure 2-2 shows the conceptual framework for the study.
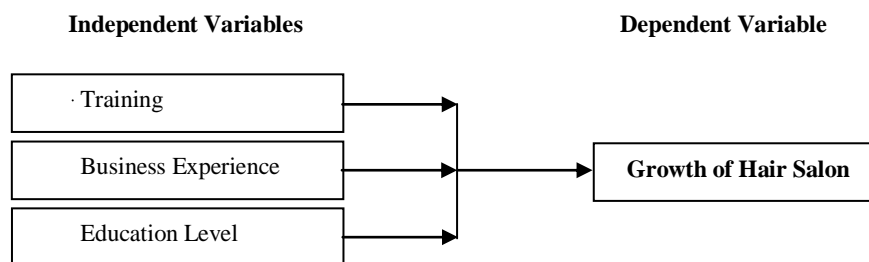
Independent Variables   **Dependent Variable**

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┌─────────────────────┐
│  · Training         │───────┐
└─────────────────────┘       │
┌─────────────────────┐       │      ┌──────────────────────┐
│  Business Experience│───────┼─────→│  Growth of Hair Salon │
└─────────────────────┘       │      └──────────────────────┘
┌─────────────────────┐       │
│  Education Level    │───────┘
└─────────────────────┘
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Figure 2-2: Conceptual Framework

III.   Research Methodology

3.1.   Research design

The study employed a cross sectional survey design. A survey was suitable to describe events and opinions rather than manipulation of variables (Oso & Onen, 2009). It is this intention to describe "variables as they are" that made survey the ideal design for the study.

3.2.   Population

The target population was hair salon proprietors, onetrade officer, and one district Micro and Small Enterprise Development Officer (MSEDO) in Kisii Town.Thereare 115hair salons, one county trade officer, and oneMSEDO. The population was 117 respondents.

3.3.   Sample, Sampling Frame and Sampling Technique

The researcher used simple random sampling to select 92hair salon owner-managers from the list of registered hair salon enterprises available at the county trade office in Kisii County using Yamane's (1967) formula:

$$n = \frac{N}{1 + Ne^2}$$

Where n = sample size, N = Population and e = 0.05 (confidence level).
The sampling technique ensured that all members of target population had an equal and independent chance of being included in the sample (Kothari, 2007).
:

The study sample size was obtainedas shown in Table 3.1:

Table   3-1: Sample Size and Sampling Frame

Respondents	Target Population (N)	Sample Size (s)
Owner managers	115	92
County Trade Officer	**01**	**01**
MSEDO	**01**	**01**
Totals	117	94

3.4.   Data Collection Instruments

3.4.1.   Questionnaires

A questionnaire is a research instrument that gathers data over a large sample (Kombo & Tromp, 2006). The questionnaires consisted of structured questions since such questions were easier to administer andanalyze, and economical. Each owner manager received one set of questionnaires.

3.4.2.   Interview Schedule

This is an oral administration of a questionnaire, which involves a face-to-face interaction. The researcher interviewed the county trade officer and the MSEDO to obtain knowledge offactors affecting growth of MSE known to the government for action.

3.5.   Data Collection Procedures

This refers to the collection or gathering of information to serve or prove some facts (Kombo & Tromp 2006). The researcher visited hair salon enterprises in person and guided the respondents as they filled the questionnaires in his presence.

3.6.   Pilot Test

As Kothari (2007) points out, piloting refers to the pre-testing of research instruments to a selected sample, which is identical to the actual study sample. The researcher conducted a pilot study in the

neighboringNyamira County. Choice of this area for piloting because was suitable because the two counties share similar conditions such as, the topography and economic activities of the people in the two counties are the same. The researcher administered the instruments to the same pilot group twice after an interval of two weeks and the results compared.

3.7. Reliability
The reliability of a research instrument concerns the extent to which the instrument yield the same results on repeated trials (Kothari, 2007). A reliability coefficient of over 0.8 obtained indicates high reliability whereas below 0.8 indicates poor reliability hence need modification before being adopted for the study (Mugenda & Mugenda, 2003).

3.8. Validity
Levy and Powel (2005) asserts that validity is the degree to which an instrument measures what it should to measure. To assess the content validity of the questionnaires and interview schedules the researcher will seek supervisory assistance of experts in the field of Human Resource Management, School of Human Resource Development, Jomo Kenyatta University of Agriculture, and Technology.

3.9. Data Processing and Analysis
Data analysis refers to the examination of the coded data critically and making inferences (Kombo & Tromp, 2006). The researcher employed both descriptive and inferential statistics. Descriptive statistics entailed measured of central tendency (mean, median, and mode)and measures of dispersion (standard deviation, and variance). Inferential statistics entailed simple linear regression and correlation (using Pearson Correlation Coefficient).The study employed correlation analysis to determine the strength of the relationship between the dependent and independent variable.

To test the hypothesis of the regression model that there is no significant difference between the critical factors and the growth of MSEs, Analysis of Variance (ANOVA) was used (Cooper & Schindler, 2006). One-way ANOVA tested the effect of the independent factor on the growth of MSEs and to test the goodness of fit of the regression model, which refers to how well the model fits the data (Kothari, 2007).

Regression analysis established how each of the factors (training, experience and level of education) contribute towards growth of salon enterprises. The relationship between dependent variable and independent variables modelled in the following equation:

$$\mathbf{Y_i = \beta_0 + \beta_i X_i + e}$$

Where Y represents growth rate in i^{th} small firms, Xi represents the independent variables. These variables were Training (X_1), Business Experience (X_2), Level of Education (X_3).Where $\boldsymbol{\beta_0}$= the intercept,$\boldsymbol{\beta_i}$= the regression coefficientand**e**=the error term.The model hypotheses were as follows:

H_0=the regression coefficient (β_1) is equal to Zero (there is no relationship between the independent and dependent variable).

H_1= the regression coefficient (β_1) is not equal to Zero (there is a relationship between the independent and dependent variable).

t-test statistics guided inferences at five per cent level of significance.

Growth was measured in terms of number of employees. Training was measured in terms of number of years that the entrepreneur spent management training. Experience was measured in terms of number of years in business and employment. Level of education was measured in terms of years with primary level scoring eight, secondary scoring four, university scoring between four and six depending on degree course, masters scoring at least two and PhD scoring at least three.

IV.   Research Findings and Discussion

4.1.   Response Rate

Respondents filled all thequestionnaires since the researcher administered them in person and they filled them in the presence of the researcher, with assistance when and where needed.

4.2.   Reliability

The instruments were reliable by obtaining Cronbach reliability coefficient value of 0.954 for the pilot questionnaires as shown in the Table 4-1.

Table 4-1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items
0.954	**0.893**

4.3.   Factor analysis

Factor analysis on the effect of training, experience and level of education on the growth of MSEs indicated good factor loadings as shown in Table 4-2.

Table 4-2: Factor Analysis Loadings

Factor	Extraction
Training	0.961
Business Experience	0.995
Education	0.997

4.4.   Research Findings and Discussions
4.4.1.   Entrepreneur Characteristics
4.4.1.1.   Training

Majority of the respondents, representing 59.6%, agreed that training influences growth as shown in Table 4-7

Table 4-7: Responses on Whether Business Training Influences Growth

	Frequency	Percent
Strongly Agree	22	23.4
Agree	34	36.2
Disagree	24	25.5
Strongly Disagree	14	14.9
Total	**94**	**100.0**

Table 4-8: Pearson Correlation Coefficient between Training and Growth

		Growth	Training
Growth	Pearson Correlation	1	.885**
	Sig. (2-tailed)		.000
	N	94	94

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

The correlation statistics between training and growth of a firm were as shown in the SPSS output Table 4-8. A correlation coefficient of 0.885 shows that the two variables are strongly positively correlated. Further, the relationship is statistically significant at the 0.01 level since the calculated p=0.000 is lower than 0.05. Regression analysis using Excel produced the results in Table 4-9.

Table 4-9: Pearson Correlation Coefficient between Growth and Training

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.8852
R Square	0.7836
Adjusted R Square	0.7813
Standard Error	0.7922
Observations	94

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	209.0734	209.0734	333.1553	0.0000
Residual	92	57.7351	0.6276		
Total	93	266.8085			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	-0.1324	0.2039	-0.6497	0.5175	-0.5373	0.2724
X Variable 1	0.1034	0.0057	18.2525	0.0000	0.0921	0.1146

From the ANOVA table, the P value for the calculated F statistic was 0.000, rounded to three decimal places. Being less than the designated level of significance of 0.05, the relationship was statistically significant. The null hypothesis of no relationship was rejected and it was concluded that there is a relationship between training and enterprise growth in the sampled population. The Pearson Correlation Coefficient, R, was 0.8852, showing a very strong relationship between training of the entrepreneur and the growth of a salon enterprise. The coefficient of determination, R^2, was 0.7836 implying that the training of the entrepreneur can explain 78.36% of the total variance in the growth of a salon enterprise when all factors are kept constant. Below is the regression model.

$$Growth = -0.1324+0.1034*Training$$

Each additional year in training increases the growth rate by 0.1034 unit. Offering non-monetary support in terms of technical training, relates to industry growth as a whole (Tambunan, 2009).

4.4.1.2. Experience

Business experience was a scale variable measured in terms of years. The following tables shows the descriptive statistics of the variable.

Table 4-3: Experience Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Business Experience	94	1	10	5.73	2.677	7.165
Valid N (list wise)	94					

The table 4-4 shows the responses as to whether respondents had been involved in any business before they started the current one.

Table 4-4: No Prior Business Experience Influences Growth

		Frequency	Percent	Cumulative Percent
Valid	Strongly Agree	7	7.4	7.4
	Agree	30	31.9	39.4
	Disagree	29	30.9	70.2
	Strongly Disagree	28	29.8	100.0
	Total	**94**	**100.0**	

Minority proportion (39.4%) had had a business before starting the current one while (60.4%) had none. This shows that the experiences they obtained might have been through employment. Correlation between the two variables of growth and business experience were as shown in Table 4-5.

Table 104-5: Pearson Correlation for Experience

		Growth	Business Experience
Growth	Pearson Correlation	1	.894[**]
	Sig. (2-tailed)		.000
	N	94	94

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

The Pearson Correlation Coefficient was +0.894 showing a strong positive correlation between experience of the entrepreneur and growth of an enterprise. Excel output for regression analysis was as per the Table 4-6.

Table   4-6: Regression Analysis Table for Experience and Growth

SUMMARY OUTPUT

Regression Statistics						
Multiple R	0.8943					
R Square	0.7998					
Adjusted R Square	0.7976					
Standard Error	0.7620					
Observations	94					

ANOVA

	df	SS	MS	F	Significance F	
Regression	1	213.3944	213.3944	367.5484	0.0000	
Residual	92	53.4141	0.5806			
Total	93	266.8085				
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	0.0314	0.1866	0.1685	0.8666	-0.3392	0.4021
X Variable 1	0.5597	0.0292	19.1716	0.0000	0.5017	0.6177

From the ANOVA Table 4-6, it was observed that the P value for the calculated F statistic was 0.0000 < 0.05.The relationship was statistically significant at the designated level of confidence. The null hypothesis of no relationship between prior business experience and the growth of an enterprise in the sampled population was

rejected and the alternate hypothesis that there is a significant relationship between prior business experience and the growth of an enterprise in the sampled population was accepted.

The value of the coefficient of determination, R^2, was 0.7998 implying that 79.98% of the total variance in the growth of a salon enterprise determined by the experience of the owner-manager when all other factors are kept constant. Below is the regression model for growth of a salon enterprise and experience of the owner-manager.

Growth = 0.0314+0.5597*Experience

This implies that each additional year of experience increases the growth rate by 0.5597 units.

4.4.1.3. Education Level

Table   4-10: Respondents' Level of Education

	Frequency	Percent
Primary	4	4.3
Secondary	60	63.8
College	26	27.7
University Graduate	4	4.3
Total	**94**	**100.0**

None of the respondents had Master's Degree or PhD degree. Asked whether education level influences growth of an enterprise, the responses in Table 4-11 were obtained from the respondents.

Table   4-11: Responses on Influence of Education Level on Growth

	Frequency	Percent
Strongly Agree	4	4.3
Agree	26	27.7
Disagree	60	63.8
Strongly Disagree	4	4.3
Total	94	100.0

Only 32.0% agreed that level of education influences growth while 68.1% disagreed that education influences the growth of an enterprise. The Excel output in Table 4-12 shows the regression summary. This lower level of educational attainment among MSE owners and workers in the surveyed region is remarkable when contrasted with developed countries, where those with higher education are more likely to be self-employed (The World Bank, 2011).

Table   4-12: Excel Regression Output for Education Level and Growth

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.793
R Square	0.628
Adjusted R Square	0.624
Standard Error	1.038
Observations	94

ANOVA

	df	SS	MS	F	Significance F
Regression	1	167.668	167.668	155.592	0.000
Residual	92	99.140	1.078		
Total	93	266.809			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	-3.341	0.541	-6.173	0.000	-4.415	-2.266
X Variable 1	0.319	0.026	12.474	0.000	0.268	0.370

From the ANOVA table, the P value for the calculated F statistic was 0.000. Because the reported P of 0.000 was less than the designated level of significance of 0.05, the null hypothesis of no relationship between level of education and growth of a salon enterprise was rejected and the alternative hypothesis that there is a significant relationship between level of education and growth of a salon enterprise in the sampled population was accepted. The value of the coefficient of determination, R^2, was 0.628 implying that the level of education of the proprietor determines 62.8% of the total variance in the growth of a salon enterprise. The Pearson Correlation Coefficient, R, was 0.793 showing a strong relationship between level of education and growth of a salon enterprise.

Table 4-13: Pearson Correlation Coefficient between Growth and Education Level

		Firm Growth	Education
Firm Growth	Pearson Correlation	1	.793[**]
	Sig. (2-tailed)		.000
	N	94	94

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

Below is the regression model for the relationship between growth and level of education.

Growth = -3.341+0.319*Education Level

Owner-managers with more formal education are thus expected to gain competitive advantage with core values such as integrity, self-control, sincerity (Zuhdi, 2005).Those entrepreneurs with larger stocks of human capital, in terms of education and vocational training, are better placed to adapt their enterprises to constantly changing business environments (King & McGrath, 2002; Bowen, Morara, Mureithi, 2009).

V. Summary, Conclusion and Recommendations
5.1. Influence of entrepreneur characteristics on growth of enterprises
The entrepreneur characteristics studied in this research included level of education, experience and training. The study found out that there is a strong correlation between the entrepreneur's experience and the growth of a business(Bosma *et al.*, 2004) since there is great importance of skills and business contacts gained during past employment (Liedholm & Mead, 2009).

It emerged that training to be a very significant element in the growth of an enterprise as the study found a very strong correlation between level of training and the growth of an enterprise. Macpherson and Holt (2007) rightly noted that trained managers are able to manage the firm's resources better including the human resources. Training motivates employees towards growth orientation and encourages change of behaviors at the work place(Singh & Belwal, 2008) a view supported by Kessy and Temu (2010) in their study which found out that enterprises which offer their employees with business training have higher level of assets and sales revenue. A strong relationship exists between level of education of the entrepreneur and the growth of a firm since those entrepreneurs with larger stocks of human capital in terms of education and vocational training are better placed to adapt their enterprises to constantly changing business environments (King & McGrath, 2002; Bowen, Morara, Mureithi, 2009). Majority of the surveyed proprietors had secondary level of education with few having college education and fewer still with university education. Enterprises where the owner-manager has better level of education are better placed to deal with any challenges that they come by and make the most out of opportunities that present themselves to the firm (Souitaris *et al.*, 2007).

5.2. Recommendations
A very specific and intense training program is needed for the MSEs to impart knowledge and skills to SME proprietors on business and management.
There should be an enabling environment where the SME proprietors can gain experience such as small business centers and business incubators localized and easily accessible.
There should be information centers in every county and sub-county where MSEs obtain support in terms of management education and technical training, consultancy, marketing approaches, market information, common facilities and promotion activities which aim at exposing their products and the enterprises themselves relates to the industry.

5.3. Areas for Further Research
A further research needs to be done on a wider scope to give a clear picture across the country as this one was only localized in one town among the many towns that are in the country. This will enable solid view of the country wide state of affairs. There are several other factors that stand in the way of enterprise growth, that are outside the scope of the current study. How these factors influence enterprise cannot be understood unless they are also studied.
Further research is needed on how firm characteristics and strategic factors influence the growth of salon enterprises.

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APPENDICES
APPENDIXA: QUESTIONNAIRE FOR HAIR SALON PROPRIETORS
Introduction
This questionnaire is meant to obtain information on the factors affecting growth of micro enterprises. Your participation and cooperation in this study will be of great value to the researcher and your cooperation is welcome. Your responses are confidential and used only for the purposes of this study.
Instructions to Hair Salon Proprietor
Responses are required in all the fields in this questionnaire. Give as accurate information as possible.
PART A: ENTREPRENEUR CHARACTERISTICS
1. What is your Age of Years? [_____]
2. Provide your Gender [ ] Female
[ ] Male
3. Provide your Marital Status [ ] Married
[ ] Unmarried
4. What is your Level of Education? [ ] Primary
[ ] Secondary
[ ] college
[ ] Degree
[ ] Masters/PhD
5. Are you trained in management? Yes [_____]
No [_____]
6. If Yes in question 6 above, state the Number of Years[_____]
7. Years of business/job experience? [_____]
PART B: ENTERPRISE CHARACTERISTICS
8. Form of Ownership [ ] Sole ship
[ ] Partnership
[ ] Limited company
[ ] private company
[ ] public company
[ ] family business
9. Year of Establishment of your business [_____]
10. Is your business registered? Yes [_____]
No [_____]
PART E: ON GROWTH
11. How do you View on Growth Trends of your business?
[ ] Growing Fast
[ ] Growing Slowly
[ ] Stagnant
[ ] Failing
[ ] Failed
12. How many employees did you start with? [_____]
13. How many employees have you currently? [_____]

Table   A-1: Agreement/Disagreement Statements

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Education Level Influences Growth					
Business Training Influences Growth					
Management Training Influences Growth					
Business Experience influences growth					