Entrepreneurial Mentorship and Demographic Characteristics within Small and Medium Enterprises in Eldoret, Kenya

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ABSTRACT
Effective and efficient mentorship programs tend to raise entrepreneurial outcomes among entrepreneurs operating Small and Medium Enterprises (SMEs). Entrepreneurial mentees benefits from the wisdom and skills of the mentors when skillfully passed raising the level of entrepreneurial outcomes. The objective of the study was to assess the role of entrepreneurial mentoring in considering the demographic profiles of owner/managers of Small and medium enterprises in Eldoret, Kenya. A sample of 363 SMEs was used representing a total population of 3927 enterprises that had been in operation for at least 3 years. Out of the 300 entrepreneurs who responded to the questionnaires, 48 had been mentored while 252 had not been mentored. Data was analyzed using Statistical Package for Social Sciences (SPSS) version 22.0. The study found that current entrepreneur’s age and age at business establishment were significantly associated with use of mentor services (all p< 0.05). The singles marital status were almost two times more likely to have used entrepreneurial mentor services compared to divorced, separated or widowed though not statistically significant. The study recommends that the Kenya government comes up with legislation that would support the introduction of mentorship services to entrepreneurs considering their demographic profiles.
Key words: Entrepreneurship, Mentorship, Demography, Entrepreneurial Outcomes, Small and Medium Enterprises

1.0 Introduction

It is estimated that SMEs make up more than 90% of all new business establishment worldwide (World Bank, 2014). Ngugi and Bwisa (2013) noted that Small and Medium Enterprises (SMEs) accounted for a significant proportion of economic activities in Kenya’s urban and rural areas; generating over 70% of all new jobs annually. In this study, the owner-managers of SMEs were taken as entrepreneurs by considering the fact that the SMEs are used for economic activities and that they may be the best targets in Eldoret, Kenya for studying entrepreneurial outcomes as concerns mentorship. Apart from this, SMEs are run by different entrepreneurs with different demographic characteristics.

Effective and efficient mentorship programs tend to raise entrepreneurial outcomes among upcoming entrepreneurs operating SMEs. In addition, mentorship of apprentices benefits from the wisdom and skills of the masters which when skillfully passed raise the level of entrepreneurial outcomes. According to (Clutterbuck, 1991), modern day mentoring originated from apprenticeships where masters, passed their wisdom and skill onto more junior persons or apprentices. The junior persons could be young in age or young in experience of managing an enterprise. Mentorship therefore anchored on wisdom and skill of the mentor improves apprentice competence in boosting outcomes. A mentor–protégé relationship according to Hisrich and Peters (2002) provides professional advice, as well as provision of an additional source of moral support. The mentor’s primary objective is to provide ‘just-in-time’ support and to add value by imparting the benefits of their education, experience, skills and attitudes (Sullivan, 2000).

Mentoring is of importance to both the mentor and mentee. To the mentors, it often contributes to their advancement in personal growth, pride and experience and to the mentees it is important in the skills that they acquire and the confidence that they gain (Klasen & Clutterbuck, 2002). It would then be expected that the benefits received from entrepreneurial mentoring by the mentors would be as a result of the mentored entrepreneurs’ entrepreneurial outcomes. The mentees would measure their entrepreneurial achievements from the entrepreneurial outcomes experienced within their SMEs. Promotion rate and compensation are some of the factors that have been used in past research to measure mentoring outcomes (Ragins & Cotton, 1999). In this research, these are some of the factors that were used to measure entrepreneurial outcomes as a result of mentoring. This research proposed that entrepreneurial outcomes are a type of performance indicators which are the ultimate results from the activities arising from entrepreneurial strategies and objectives. Outcomes generally, can be described as either desirable or undesirable. Desirable entrepreneurial outcomes include among other factors; Satisfaction with running the enterprise, Commitment to continue operating the enterprise and decreased intentions to turnover. It was important to determine if entrepreneurial outcomes out of mentorship were determined by some of the demographic
factors of the entrepreneurs such as age, marital status and education. Kram (1985) categorized mentoring as providing dual function roles; career development and psychosocial support. In effect, career development functions focus on the protégé’s career, business or vocational advancement. Psychosocial functions on the other hand help a protégé’s personal development by relating to him or her on a more personal level, Kram (1985).

1.1 Statement of the Problem
Entrepreneurship has been referred to as an answer to unemployment and poverty reduction in Kenya. A baseline survey in Kenya found that small- to medium-sized enterprises employed about 50% of youths and women and they accounted for approximately 79.6% of the total labor force (R.O.K, 2013). Despite the mechanisms and government support to provide funds for entrepreneurial groups such as the youth and women, there has been a high level of venture failure. Internationally, past research found that some of the factors that cause entrepreneurship development which can be taken as examples of entrepreneurial outcomes include; Ethnicity, Edna (1980); Resources (Duijnhouwer, 1994); Location, Orloff (2002); Sociocultural environment (Rajesh, 2006); The presence of other entrepreneurs (Davidsson & Wiklund, 1997; Mueller, 2006); Entrepreneurship education, (Kaburi, Mobegi, Kombo, Omari, & Sewe, 2012) and mentoring, (Waters, McCabe, Killerup, & Killerup, 2002). This study proposed that the entrepreneurs with failed enterprises may have been unable to exhibit significant entrepreneurial outcomes because of lack of an efficient method in business support, Deakins et al. (1997), such as entrepreneurial mentoring. There is a dearth of empirical research on the relationship between mentoring and entrepreneurial outcomes in Kenya. This suggests a gap in empirical research in this area which this study added to the body of knowledge. While statistics show that there are high business birth rates of enterprises, the death or stagnation of these businesses is equally high (Rigito, 2010). While the informal sector constitute to over 80% of total employment in Kenya, it only contributes to 18.4% of the GDP (RoK, 2011). The SME sector is widely regarded as the driving force in economic growth and job creation in both developed and developing countries (Sunter, 2000). While MSEs generate employment and wealth, the majority are unable to grow vertically, thus resulting in the gap between MSEs and the large enterprises (Moturi, 2006). In this study, mentorship was considered as one of the alternatives in bridging the gap between SMEs and large enterprises.

1.2 Objective of the Study
The objective of the study was to assess the role of entrepreneurial mentoring in considering the demographic profiles of owner/managers of Small and medium enterprises in Eldoret, Kenya.

2.0 Theoretical review
According to (Saunders, Lewis and Thornhill, 2009) the literature review forms the framework for research, as it helps to develop a good understanding and provide insight into relevant previous research and emerging trends. The theories supporting this study are as follows;
2.1 Schumpeter’s Theory of Innovation
Schumpeter’s theory of innovation was adopted in this research in determining the variables that were associated with the outcomes of entrepreneurial activities. Schumpeter (1934) claimed that the entrepreneur is the innovator. Beyond the twentieth century, it is contended that innovation has relied on the creation of technological or social capability, through problem-solving or learning activities principally within large firms. This insight into the form of innovation is part of the conclusions of the work of among others, Rosenberg (1976, 1982, and 1994) on the history of technology, as well as Nelson and Winter (1982) on the evolutionary theory of economic change. Creativity, knowledge and new ideas have become essential in an era where innovative business models enable organisations to get ahead of competitors (Leibold, Voelpel & Tekie, 2004:62). Entrepreneurship scholars support this notion by arguing that innovation is a constitutive element of entrepreneurship (e.g., Schumpeter, 1982; Davidsson, 2004; Lumpkin and Dess, 1996).

2.2 Kram’s Mentor Role Theory
Kram’s (1985) mentor role theory provided the basis of this research. In this theory, Kram categorized mentoring as providing dual function roles; career development and psychosocial support.

2.3 Empirical Review
Early definitions of mentors and their functions distinguished traditional mentoring relations from other developmental relationships in the workplace. Scholars incorporated dimensions such as the power of the mentor, the emotional intensity of the relationship, the hierarchical distance between the mentor and the protégé, and the amount and focus of assistance provided by the more senior person (Wanberg, Welsh, & Hezlett, 2003). These factors were observed by scholars such as Levinson et al. (1978) who described the mentor’s function as guide, counselor, and sponsor. Ragins and Scandura (1999, p. 496) referred to mentors as “influential individuals with advanced experience and knowledge who are committed to providing upward mobility and support to their protégés’ careers”. Kram (1985) suggested that the greater the number of functions provided by the mentor, the more beneficial the relationship will be to the protégé.

Career functions aid career advancement and according to Kram (1985) may include sponsorship, coaching, exposure, visibility, protection and providing challenging assignments. Ayer (2010) indicates that entrepreneurs are not careered employees, therefore this research focused on the protégés’ business advancement or promotion which was taken as an entrepreneurial outcome. Allen et al. (2004) indicated that, the behaviors associated with career mentoring are highly focused on preparing protégé’s for advancement therefore reasoning that career mentoring may relate more highly to objective career outcomes than does psychosocial mentoring.
2.4 Research Gap

Although a vast amount of work on mentoring activities has been produced (Allen & Eby, 2003; Garvey & Garrett-Harris, 2008; Kram, 1983; Weinberg & Lankau, 2010), little is known about how mentoring, within the entrepreneurial context plays a role upon the entrepreneurial process particularly how mentoring influences entrepreneurial outcomes within SMEs. In the earlier researches data was collected mainly from organizational setting, (e.g. Gaskill & Sibley (1990), however, this research collected data from an informal sector of SMEs in Eldoret, Uasin Gishu County, Kenya. This study therefore makes a contribution to the body of research by determining the perspective of entrepreneurial mentoring in the informal sector and the response to mentorship considering the entrepreneurs’ demographic features.

3.0 Research Design

The mixed research design was adopted where both quantitative and qualitative approaches were used with the aim of determining the relationship between the effects of entrepreneurial mentoring on the entrepreneurial outcomes within SMEs. According to Elliott (2004) mixed research design is preferred to using either quantitative or qualitative method alone since this can result in a tendency to overlook complexities that may only be revealed when a combination of methodologies is employed.

3.1 Target Population

The focus of the study was the owners-managers operating SMEs who were taken as entrepreneurs within Eldoret, Uasin Gishu County. The data obtained from the county office of the ministry of Social Services indicated that the total numbers of enterprises in Eldoret Municipal council were approximately 7765. A total of 3927 enterprises which have been in business for over three years in the Central Business District (CBD) were then taken as the target population.

3.1.1 Sampling Frame and sampling technique

The sample size for this research was obtained using the Yamane’s formula for finite population and cited by Reid & Boore (1991) as follows;

\[ n = \frac{N}{1 + N(e)^2} \]

\[ = 3927/ (1 + 3927(0.05)^2) \]

\[ = 363 \]

After study population allocation, simple random sampling was used to get samples of SMEs from the different strata. The actual enterprises for data collection were arrived at by using stratified random sampling from each stratum. The stratification was based on retail trade, wholesale trade, service and the manufacturing industries. Cooper and Schindler (2008) stratified sampling is a technique used where the population is not homogeneous.
3.1.2 Data Collection methods
Open-ended and closed-ended questionnaires, interview schedule and content analysis were the instruments of data collection. The questionnaire was used to establish entrepreneurs and mentors attitude among other parameters. Attitude was measured mainly using Likert scale (Manstead & Semin, 2001). Some questions from the Mentor Role Instrument (MRI) (Ragins & McFarlin, 1990) that were fitting the situation found in Eldoret, Kenya, were extracted and used to measure mentor functions.

3.1.3 Data processing and Analysis
Data analysis was guided by the objective of the study. Descriptive analysis was carried out and then presented using percentages and tables. Pearson product moment correlation analysis was used to test the relationship between the independent variable entrepreneurial outcome and mentorship.

4.0 RESEARCH FINDINGS AND DISCUSSION
4.1 Response Rate
In this research, a total of 300 out of the targeted 364 respondents responded to and returned the questionnaires. This gave a response rate of 82.4% consisting of 164(54.7%) males and 136(45.3%) females

4.2 Reliability Test
Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Borg, Gall & Gall, 2003). The results showed a Cronbach’s value of 0.857 which is above the 0.7 limit hence the results were acceptable.

4.3 Descriptive Analysis
Generally, out of the 300 entrepreneurs, 48 had used the services of mentors while the majority 252 had not used the services of mentors. This was also observed in the different business industry sectors where most of the entrepreneurs did not use the services of mentors. In comparing the business industries, the service industry used more of the services of mentors (47.9%), followed by the retail industry (39.6%), Wholesale industry (8.3%) and Manufacturing industry (4.2%). It was observed that mentoring occurred mainly for the early entrepreneurial experience of 3 years and tended to diminish as the entrepreneurs became well established at about ages 5-8 of entrepreneurial experience. From years of experience 13-17 there was very little use of mentor services with the services being insignificant from business ages 21 to 42 years of experience.

The respondents’ main reason for engaging a mentor was to increase skills and knowledge 21(43.8%) with key focus for the session being vision, strategy, goals and environment 34(70.8%). This is summarized in Table 1
Table 1: Mentorship of Entrepreneurs

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services of mentors</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>48(16.1)</td>
</tr>
<tr>
<td>No</td>
<td>252(84.)</td>
</tr>
<tr>
<td>Gender of Mentor</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>33(68.8)</td>
</tr>
<tr>
<td>Female</td>
<td>15(31.2)</td>
</tr>
<tr>
<td>Information about mentor</td>
<td></td>
</tr>
<tr>
<td>Owned a business</td>
<td>32(66.7)</td>
</tr>
<tr>
<td>Partner in business</td>
<td>3(6.3)</td>
</tr>
<tr>
<td>Publicly listed a business</td>
<td>3(6.3)</td>
</tr>
<tr>
<td>Worked for a corporate</td>
<td>9(18.8)</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1(2.1)</td>
</tr>
<tr>
<td>Reason for engaging a mentor</td>
<td></td>
</tr>
<tr>
<td>To increase skills and knowledge</td>
<td>21(43.8)</td>
</tr>
<tr>
<td>To grow your business</td>
<td>4(8.3)</td>
</tr>
<tr>
<td>To better manage business processes</td>
<td>6(12.5)</td>
</tr>
<tr>
<td>To increase your performance</td>
<td>5(10.4)</td>
</tr>
<tr>
<td>To develop your potential</td>
<td>6(12.5)</td>
</tr>
<tr>
<td>To expand your thinking</td>
<td>6(12.5)</td>
</tr>
<tr>
<td>Focus of mentoring sessions</td>
<td></td>
</tr>
<tr>
<td>Vision, strategy, goals and environment</td>
<td>34(70.8)</td>
</tr>
</tbody>
</table>
Among the demographic profile component, current entrepreneur’s age and age at business establishment were significantly associated with use of mentor services (all p< 0.05). Table 2 shows the demographic information in the service business sector which had the highest numbers of the use of mentor services.

**Table 2: Association between entrepreneurs’ demographic profile in the Service business sector and use of mentorship services**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Used mentor services</th>
<th>Statistic</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>15(25.4%)</td>
<td>44(74.6%)</td>
<td>χ²=3.225 0.073</td>
</tr>
<tr>
<td>Female</td>
<td>8(12.7%)</td>
<td>55(87.3%)</td>
<td></td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>11(30.6%)</td>
<td>25(69.4%)</td>
<td>χ²=5.450 0.059</td>
</tr>
<tr>
<td>Married</td>
<td>9(12.3%)</td>
<td>64(87.7%)</td>
<td></td>
</tr>
<tr>
<td>Others (Divorced, widowed, separated)</td>
<td>3(23.1%)</td>
<td>10(76.9%)</td>
<td></td>
</tr>
<tr>
<td>Education level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary and less</td>
<td>0(0)</td>
<td>3(100%)</td>
<td></td>
</tr>
<tr>
<td>Secondary</td>
<td>3(16.7%)</td>
<td>15 (83.3%)</td>
<td>χ²=0.310 1.000</td>
</tr>
<tr>
<td>Tertiary</td>
<td>20(19.8%)</td>
<td>81 (80.2%)</td>
<td></td>
</tr>
</tbody>
</table>

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Table 2 shows that; among the demographic profile component, current entrepreneur’s age and age at business establishment were significantly associated with use of mentor services (all p< 0.05). There existed a significant difference in the mean age and age at business establishment between entrepreneurs who used mentor services and those who did not (t=2.598, p=0.011 and t=3.510, p=0.002) respectively. In comparison, those who utilized mentor services were younger than those who did not (31 vs 37 and 19 vs 28) respectively.
4.4 Multiple Logistic Regression analysis
Multiple logistic regression indicated that age of the entrepreneur at business establishment was a significant predictor of having used entrepreneurial mentor services (p=0.007). This information is shown in Table 3.

Table 3: Multiple Logistic Regression analysis

<table>
<thead>
<tr>
<th>Factor</th>
<th>Regression coefficient (β)</th>
<th>S.E</th>
<th>OR(95% CI)</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (in years)</td>
<td>0.006</td>
<td>0.029</td>
<td>1.006(0.950-1.066)</td>
<td>0.82</td>
</tr>
<tr>
<td>Age at business establishment</td>
<td>-0.059</td>
<td>0.022</td>
<td>0.943(0.904-0.984)</td>
<td>0.00</td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ref=others)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>0.458</td>
<td>0.688</td>
<td>1.580(0.410-6.085)</td>
<td>0.50</td>
</tr>
<tr>
<td>Married</td>
<td>-0.382</td>
<td>0.612</td>
<td>0.683(0.206-2.263)</td>
<td>0.53</td>
</tr>
<tr>
<td>Phase of business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ref=growth)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Survival Stabilization</td>
<td>-1.344</td>
<td>0.841</td>
<td>0.261(0.050-1.356)</td>
<td>0.11</td>
</tr>
<tr>
<td></td>
<td>-0.315</td>
<td>0.397</td>
<td>0.729(0.335-1.590)</td>
<td>0.42</td>
</tr>
</tbody>
</table>

Table 3 shows that a unit increase in the age of the entrepreneur at business establishment was associated with lower chances of having used entrepreneurial mentor services (OR; 95%CI: 0.943(0.904-0.984). In terms of marital status, the singles were almost two times more likely to have used entrepreneurial mentor services compared to divorced, separated or widowed (OR; 95%CI: 1.580(0.410-6.085) though not statistically significant.
5.0 Conclusions
The median (IQR) age of the 300 respondents was 38 years (30 years, 74 years) with a standard deviation of 10.57561. Mentoring occurred mainly for the age groups 25-34 and reduced as the ages increased. There existed a significant difference in the mean age and age at business establishment between entrepreneurs who used mentor services and those who did not (t=2.598, p=0.011and t=3.510, p=0.002) respectively. Multiple logistic regression indicated that age of the entrepreneur at business establishment was a significant predictor of having used entrepreneurial mentor services (p=0.007). Considering the marital status, 16.0% of the entrepreneurs had used the services of mentors while 84.0% had not used the services of mentors. In terms of marital status, the singles were almost two times more likely to have used entrepreneurial mentor services compared to divorced, separated or widowed (OR; 95%CI: 1.580(0.410-6.085) though not statistically significant. However, the majority of those who used mentor services were married (54.2%). Considering the education background, 50(16.7%) of the entrepreneurs used the services of mentors while 250(83.3%) did not use the services of mentors. The highest level of education of those who used the services of mentors, were college level(42.0%), followed by University(32.0%), secondary(24.0%), Primary(2.0%) and lastly no formal education (0.0%). Among the entrepreneurs’ demographic profile; marital status and education level were significantly associated with the entrepreneurial outcomes (p=0.034, 0.010) respectively. The need for mentors whose one of the functions is given as coaching is supported in the works of the following researchers; these findings were in agreement with Leonard and Swap (2005) who indicated that entrepreneurs look for appropriate business coaches who can effectively pass on skills, experience, and knowledge. Further, Megginson et al. (2006) indicated that entrepreneurs seek experienced business coaches to work with them to attain milestones, reach market performance indicators, and achieve business goals. In this research, the coaching was taken as one of the factors of career mentoring functions.

5.1 Recommendations
Based on the findings the following recommendations are made:
The older successful entrepreneurs should be contracted by the Uasin Gishu County, Kenya to mentor the younger entrepreneurs between the ages 18 to 35. Equal opportunities for males and females and also on the youth and the older entrepreneurs should be provided for entrepreneurial mentoring. There is need for sound policy on which entrepreneurial mentoring should be anchored. The sound policy will guide the implementations of recommendations made on Entrepreneurial mentoring and the expected entrepreneurial outcomes. There should be clear documented procedures in the Uasin Gishu county and Kenya at large to help in entrepreneurs periodic mentoring which should result in improvement of performance as one of the entrepreneurial outcomes in SMEs.
5.2 Areas for further research
This study recommends that further research be done on the effect of government input and facilitation of entrepreneurial mentorship on the sustainability of SMEs in Kenya. The study also suggests that a study be carried out on the effect of entrepreneurial mentorship on the entrepreneurial outcomes in other areas in Kenya other than Eldoret, Uasin Gishu County.

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