

# Influence of Entrepreneurial Group Dynamics on the Performance of Women owned Enterprises in Kenya

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## Abstract

This study sought to establish the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises in Kenya. The independent variable of the study was Entrepreneurial Group Dynamics and the dependent variable was Performance of Women Owned Enterprises. The study was conducted in the four (4) Sub Counties of Embu County. The study employed a Cross-Sectional Descriptive Research Design also known as statistical research and the population was sampled through stratified random sampling. Structured questionnaires and observation schedules were used to collect data. Data gathered was analyzed and presented using descriptive statistics, processed by Microsoft SPSS Version 20.0 and presented using graphs, pie charts, tables and percentages. The study reviewed literature on the dependent and the independent variables of the study.

Results of this study indicated that; Entrepreneurial Group Dynamics had a positive relationship and played a major role on the Performance of Enterprises as evidenced by the increase in number of employees, sales volume and assets acquisition in the business. The need for the government agencies and other stakeholders to continuously partner and create an enabling environment in terms of policies that supports Entrepreneurial Group Dynamics so that their efforts continue to bear fruits within the Women Owned Enterprises was found ideal.

**Key Words:** *Entrepreneurial Group Dynamics, Performance, Women Entrepreneurs, Training, Leadership, Networking*

## **Introduction**

The Micro and Small Enterprises (MSEs) sector plays a vital role in creating jobs and wealth in an economy. MSEs are an essential source of jobs, entrepreneurial spirit and innovation and are thus crucial for fostering competitiveness. The Kenyan economy is characterized by a low growth rate, a high inflation and a high rate of unemployment. MSEs employ half of the working population and contribute 50% to the Gross Domestic Product of Kenya (Maragi, 2008). However, despite the noted contribution of MSEs in Kenya, they suffer from a high failure rate. According to Brink et al. (2003), it is estimated that the failure rate of MSEs in Kenya is between 70% and 80%. As a result, many MSEs do not reach their full potential and fail to grow, resulting in lost jobs and wealth for the region in which they are based. Sha (2006) notes that given this high failure rate, it becomes vital to research the factors that are required to enable the MSEs to survive. Problems encountered by small businesses are numerous and can be described amongst others as being environmental, financial or managerial in nature. Marshall and Oliver (2005) observe that the hardships encountered by entrepreneurs often stem from a lack of knowledge or skill, a lack of finances, or the lack of a supportive social network.

## **Statement of the Research Problem**

Women Owned Enterprises experience various challenges that range from financial (Marlow & Carter, 2004; Fielden & Davidson, 2005), lack of training and social networks (Stevenson & St-Onge, 2005; Mutuku et al, 2006), markets for their products (GOK, 2005), stringent legal and regulatory procedures (Kibas, 2006) and competition from large and other MSEs (K'Aol, 2008). All these factors pose a great danger to the existence and the performance of the MSEs. The Sessional Paper No.2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction (GOK, 2005) provided an ideal situation of Micro and Small Enterprises and emphasized the need for small enterprises to be nurtured as beacon for employment creation and future economic growth. Given the need for new job creation, co-operation and interaction between government institutions, education institutions and the private sector is crucial. Studies that have been carried out have revealed that Women Owned Enterprise fall within their first three years, some of them due to lack of experience and the unwillingness to take necessary risks to expand their businesses (Nthuni, 2014). One approach to address Small Business failure is the creation of entrepreneurial culture among women in Kenya. (Nelson & Mburugu, 1991, ILO, 1999). Entrepreneurial spirit can best be inculcated through Entrepreneurial Training, Entrepreneurial Networking and Entrepreneurial Leadership Skills.

Despite the various government intervention strategies, MSEs Performance, growth and existence still remain quite low (Roomi, 2009; Afza & Rashid, 2009; Nthuni, 2014). Ideally, Women Owned Enterprises need to exhibit a tendency to grow in size, sales volume, number of employees and profitability (Mwaura et el .2014). The current situation is that many Women Owned Enterprises have remained small or failed to grow. The study therefore seeks to address the gap between the current scenario and the ideal situation by exploring the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises

**The Specific Objective**

To investigate the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises in Embu County.

**The Research Question**

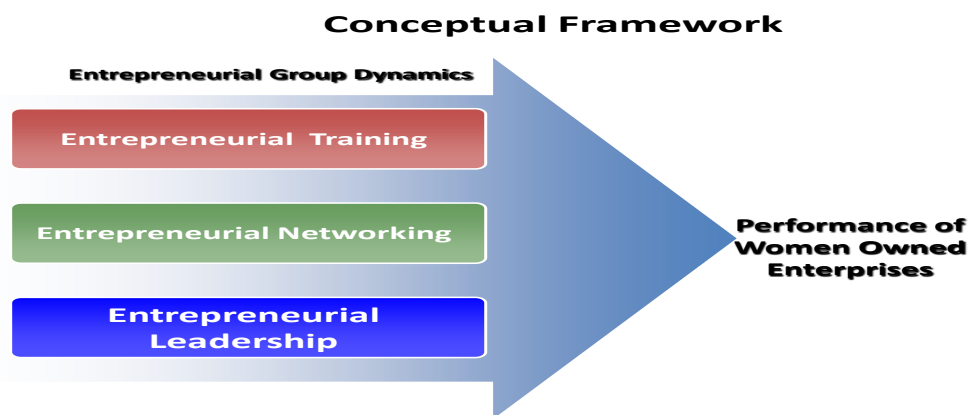
What is the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises in Embu County?

**The Conceptual Framework**

The study conceptualized that Entrepreneurial Group Dynamics influences the Performance of Women Owned Enterprises in Embu County. The study explored the key aspects of Entrepreneurial Group Dynamics, namely, Entrepreneurial Training, Business Networking and Leadership Skills. Women can perform better when working in groups than working alone. (Robbins, Judge & Campbell, 2010; Lussier & Achua, 2007).The three (3) aspects of Group Dynamics were explored to establish their relationship with the Performance of WO MSEs. Group dynamics also provide for specific social benefits such as mutual self-help and the creation of social networks. This relationship is shown in Figure 1.

**Independent Variable**

**Dependent Variable**



**Figure 1: Conceptual Model**

**Entrepreneurial Training and Performance of Women Owned Enterprises**

It is argued that MSEs Credit alone cannot influence the MSEs Performance; however, motivational factors significantly contribute towards the good performance of an enterprise. The motivation can be acquired through other ways, one of which is training and education. Training enables participants to change behavior and the mind set. Most micro credit institutions combine credit with provision of training. The importance of Entrepreneurial training as a tool for MSEs Growth has been recognized worldwide. Many studies have revealed that training contributes significantly in the growth of enterprises (Kessy & Temu, 2010).Edgcomb (2002) established that training has significant impact on participant characteristics and final participant outcomes. Training adds to the skills of MSEs Owners, facilitates a change in their behaviors on how they perceive and conduct their business

activities and in turn enhance their ability to perform better: the MSEs can gain important edges even under stiff environment. Through training, the entrepreneurs can acquire networks, transfer technology, develop commercial entities and acquire new and better management techniques. This is because business training is mainly geared towards building entrepreneurial skills and traits of the recipients in order to better their business practices (Roomi, 2009; Kessy & Temu, 2010). Limited access to basic management and financial literacy can restrict the capacity of women to participate effectively in business activities. However different authors advocate that the most impending and strategic factor input for MSEs are capital and business skills (Robbins et al, 2010; Lussier & Achua, 2007; Kessy & Temu, 2010) Provision of credit to women alone without business skills may not assist the enterprises to perform at an optimal level. Training exposes women to more knowledge and skills on how to better manage the resources they have. A study carried out by Kessy and Temu (2010), revealed that there was a significant difference between the growth indicators of enterprises owned by recipients of training against those clients who had never received business training. The assets, average revenue and number of employees were higher for the MSEs owned by clients with business training compared to the assets, average revenue and number of employees of those enterprises owned by women without business training (Kessy and Temu, 2010). Training contributes a lot to managerial skills, technical abilities and techniques needed to undertake risk. Trained entrepreneurs have a broad perception of risk and innovation. Their analytical power is enhanced and they are better prepared for the challenges ahead (Maragia, 2008). Bwisa (2011) viewed training as a supply of specific skills, knowledge or attitudes required to meet a certain purpose. Skills obtained in training become an asset that can help to overcome uncertainty in decision making and open new avenues for opportunities. It is from this argument different authors established that Entrepreneurial training has significant impact on women characteristics and final outcome.

### **Entrepreneurial Networking and Performance of Women Owned Enterprises**

There is academic consensus on the importance of creating efficient networks for establishing a business and its ongoing success in entrepreneurial ventures (Harris et al, 2012). Networking allows businesses to gain access to resources that might otherwise not be available to them. It facilitates the development of a firm's credibility; expands customer base and suppliers contracts; highlights access to resources and available funding; encourages innovation and helps in promoting strategic partnerships. It is noted that women entrepreneurs rarely possess all the skills and knowledge needed to develop the firms and finding people with the missing skills and persuading them to contribute is a critical aspect of networking. Many scholars, Neergaard et al (2005) have shown that networks contribute to marketing effectiveness in entrepreneurial ventures. Networking is considered as the entrepreneurial innate preferences; it is considered the best for the desired business purpose and provides the lowest cost option to market a service or a product when there are limited resources available.

Social Networks play a crucial role in women businesses as it can gather information, deter competition and even collude in setting prices or policies (Dennis, 2000). Social networks indicates the way in which people are connected through various social familiarities ranging

from casual acquaintances to close familiar bonds. Research in a number of academic fields has demonstrated that social networks operates on many levels, from families, groups and nations and play a crucial role in determining the way problems are solved, organisations are run, and the degree to which individuals succeed in achieving their goals. While networking has got its own benefits, Misner (2008) noted that there could be a tendency when networking to focus on people who have similar experiences or perspectives', making it difficult to obtain new business connections, cultivation of a more diverse personal network enables women entrepreneurs to increase the possibility of including their connections. Stokes (2000) confirmed that the number one source of new customers is recommendations from customers, suppliers or referral groups. Women entrepreneurs with open networks and diverse connection will have greater opportunities to develop a successful business than an individual with many connections with single or closed networks. The developing role of technology in networking has been noted. The internet has significantly expanded the global reach of networking making geographical location far less important than before. Personal contacts are still preferred by most small businesses but there is growing interest in ICT mediated communication to obtain information. The argument is that business owners are more likely to be honest in online communication than they are in face to face ones. Online communications facilitates permanent written record where face to face discussion can easily be forgotten or the interaction shelved.

Kuratko (2009) posits that entrepreneurial process entails strategic planning and leveraging of key unique elements, namely; unique markets, unique products, unique people and unique resources. Leveraging on unique resources entails having the ability to gather or harness special resources; land, labour, raw materials and social capital over the long term. Social capital, although a somewhat contested concept, is often considered as the "features of social life networks, norms, and trust that enable participants to act together more effectively to pursue shared objectives" (Putnam, 1995). In broad terms, social capital relates to the resources available within communities as a consequence of networks of mutual support, reciprocity, trust and obligation. Social capital is the actual and potential resources embedded in networking relationships that are accessed and used by actors for action. Social capital has been noted as a force that can help bind society together by transforming individuals into members of a community with shared interests and assumptions about social relations (Newton, 1997). Putnam (1993) urged that the strengthening of communities could be achieved if a virtuous circle of trust, norms, networks and reciprocity was facilitated and sustained.

Although there is no universally accepted definition of social capital, it is argued that social capital implies the capability for obtaining various benefits through the relationship with networks or other social structure (Baker, 1990; Burt, 1992; Putnam, 1993; Nahapiet and Ghoshal, 1997). Social capital has three core factors, namely network, trust and norms (Adler and Kwon, 2002). Acquaah, (2008) as quoted by Kessy and Temu (2010) divided social capital into internal and external. Internal social capital deals with structure and social networking relationships among actors (that is, individual member of the group) within a system or organization, external social capital focuses on the structures and social networking relationships outside the individuals within the groups. Groups differ in their cohesiveness, ie the degree to which members are attracted to each other and are motivated to stay in the

group. Group cohesiveness has been noted to be important as it is linked to productivity. Studies consistently show that the relationship between cohesive and productivity depends on the performance related norms established by the group (Robbins et al, 2010). If performance related norms are high, for example, high output, quality work, cooperation with individuals outside the group, a cohesive group will be more productive than will a less cohesive group.

### **Entrepreneurial Leadership and Performance of Women Owned Enterprises**

A positive contribution that group based lending methodologies make to Women entrepreneurs is the opportunity for women to gain leadership competencies in making decisions, leading and influencing others (GOK, 2009; Akoten, Sawada & Otsuka, 2006). Participation in a self-help group fosters women's self-confidence and encourages them to exercise greater decision-making within the household and in their enterprises. In Tunisia, it was noted that participation in the micro credit programmes constituted an apprenticeship of democracy through the self managed solidarity groups which elect their president and treasurer. This would be considered a very major development in mixed group where a woman is elected as president of a group in a still male dominated society.

Group formation has been found to assist women entrepreneurs to formulate opinions that can be expressed, it is a means for women entrepreneur to know and be known by other women entrepreneurs (Kiunga 2009; Nteere 2012; Allen 2010; Ferri et al, 2009)). Group formation was found to be an important forum for learning entrepreneurial leadership and public speaking skills and a basis for development of trust, friendship and financial assistance. The groups give women an opportunity to develop and use leadership skills, exercise authority and to command the respect of others, some for the first time in their lives. Entrepreneurial leadership entails; undertaking a stakeholders analysis which means having the ability to accurately define the value of varying stakeholder groups and managing the enterprise to deliver value. Women with entrepreneurial leadership traits exhibit problem solving tendencies, meaning that they have the ability to anticipate and research potential problems, analyze them for real causes and plan effective actions to solve them. Entrepreneurs with leadership orientation have oral and writing skills that enable them to effectively communicate to; media, public, customers, peers and employees. Entrepreneurial leadership implies engaging in planning; setting realistic and attainable goals identify obstacles and developing detailed action plans to achieve the goals and schedule personal time systematically. Such leadership is coupled with proper decision making and negotiations skills that is, having the ability to balance value given with value received, while recognizing existing and potential working relationships. (Kuratko, 2009). Every group that is formed and registered has its own internal policy. Such groups that set policies to rotate their leadership frequently give more women a chance to develop entrepreneurial leadership skills than ones that do not, although groups without a rotation policy also gives women leaders an opportunity to become stronger and acquire more lasting leadership skills. Robbins et al, 2010, outlined the stages of group formation to include; forming, storming, norming, performing and adjourning. For permanent entrepreneurial groups, performance becomes the last stage in the group development. However, for non entrepreneurial groups, there are limited tasks to performance hence there is an adjourning stage. In all the stages of group

development, the role of the leader needs to be exhibited to enhance effective performance of businesses.

A number of growth models have been developed (Greiner, 1972; Churchill & Lewis, 1983; Scott & Bruce, 1987; Stokes & Wilson, 2006; Kuriloff et al, 1999) to describe the needs and characteristics of MSEs at various stages of development. This study explored the various stages of a ventures life cycle, namely; introductory, growth, maturity, entrepreneurial continuity and decline. All these stages of an entrepreneurial venture life cycle are important strategic points, and each requires a different set of strategies or entrepreneurial leadership styles. Each of the stages of the business require entrepreneurs to network with different categories of people such as family members, social groups, banks, investors, private sector and the government. Scholars posit that the appropriate leadership style in the introductory stage is visionary in nature: A visionary leader is one who envisions the future, explores in the possibilities of what could be and inspires people to perceive things the way they ought to be. A visionary leader has the capacity to foresee the future and hopes to accomplish a distant dream. In other words, these leaders chart their own path and undertake calculated risks hoping to make today's dream tomorrow's reality. The growth, maturity and entrepreneurial continuity stages of an entrepreneurial venture require transformative leadership styles (Churchill & Lewis, 1983; Scott & Bruce, 1987; Stokes & Wilson, 2006; Kuriloff et al, 1999). This will be based on the concept of working together to put in place a mechanism that will not only reap immediate benefits but future ones too. Although, most decisions are taken individually or by a small group of people, this leadership style opens the door wide for intellectual excitement, motivation through values and a shared vision by participation in leadership activities. A leader who follows transformational functions fosters a sense of purpose and meaning to unite people for a better cause. At the decline stage firms will aim at becoming more innovative by embracing democratic and directive leadership style. Democratic leadership style has been found to be ideal to the entrepreneurs as it focus on giving flexibility to the employees so that the team can together evolve as one unit. By involving the team members in taking decisions and delegating tasks, the managers give the employee a sense of ownership so that every employee feels as one family. In this style, team building skills, social harmony and cooperation are aimed to achieve business targets. The style boosts employee's morale, innovativeness, creativity and team building. The directive leadership style is the style most people equate with "strong" leadership. When people say they want more leadership, they usually mean they want more direction. In business terms, this is leading from the front or by example. Researchers have advocated that, although the directive or command-and-tell style is out of favor today, it is still the style most entrepreneurs may use in new, unfamiliar, or critical situations when the team face a threat or when the business is in a crisis (Stokes & Wilson, 2006; Kuriloff et al, 1999).

Bambale (2014) contends that group cohesiveness is the relative property of group that determines the extent to which group members remain coherent with each other. The highly cohesive groups reflect high attraction of members for each other, friendliness, cooperation, mutual liking, and positive feelings about each other (Haider et al, 2015, Bambale, 2014 Robbins et al 2010,). Members of such groups place high value for each other and intend to remain with the group in the long run. The leaders of cohesive groups inculcate positive and

strong feeling among the members and hence the members of these groups are more likely to assist each other for accomplishing organizational tasks (Bambale, 2014). The members of such groups are more willing to put extra efforts for accomplishing tasks assigned to them by the leaders. Business decisions are often made by groups as the members bring together a range of skills, experiences and outlook (Drummond, 2009, Mullins, 2010). While the role of groups has been applauded by researchers in businesses, currently scholars have argued that there is a danger of groups promoting groupthink. This is a phenomenon that describes situations in which group pressures for conformity deter the group from critically appraising the view and opinions of others. Groupthink promotes deterioration of mental efficiency, reality testing and moral judgment that results from in-group pressures (Mullins, 2010, Drummond, 2009). This can dramatically affect the decision making process and eventually affect the performance of enterprises.

### **The Research Gap**

The existing body of knowledge was not sufficient to show relationship between Entrepreneurial Group Dynamics and Performance of Women Owned Enterprises. The literature reviewed generally outlined the determinants of performance of small businesses and laid little emphasis on Entrepreneurial Group Dynamics and specifically; Entrepreneurial Training, Entrepreneurial Networking and Entrepreneurial Leadership and how it imparted on Business Performance. This study sought to fill the research gap by establishing the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises in Embu County.

### **Research Methodology**

The aim of the study was to establish the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises in Kenya. To achieve this, the study employed a Cross-Sectional Descriptive Research Design also known as statistical research which answers research questions like who, what, where, when and how (Bryman & Bell, 2011; Cooper & Schindler, 2009). Descriptive research design was employed to describe the nature of a situation, as it exists at the time of the study and to explore the cause/s of particular phenomena (Leary, 2001).

The study population was Seven Hundred and Ninety Five (795) Women in Embu County. The Stratified Random Sampling Technique was used to select Two Hundred and Sixty (260) Women who had benefited from Women Enterprise Fund Loan more than twice. A questionnaire was the main instrument of data collection. The data collected was analyzed using SPSS Version 20.0. These data was summarized, edited, coded and classified into various categories according to the answers given by the respondents. The study data was presented using graphs, pie charts, tables and percentages.



## Research Findings and Discussions

This section reports the findings of the study which investigated the influence of Entrepreneurial Group Dynamics on the Performance of Women Owned Enterprises in Kenya. The researchers hypothesized that; Entrepreneurial Group Dynamics influenced the Performance of Women Owned Enterprises in Kenya

### Level of Education

The level of education of the respondents was considered in the study. The study looked at the respondents' highest level of education whose outcomes are as presented in Figure 2.

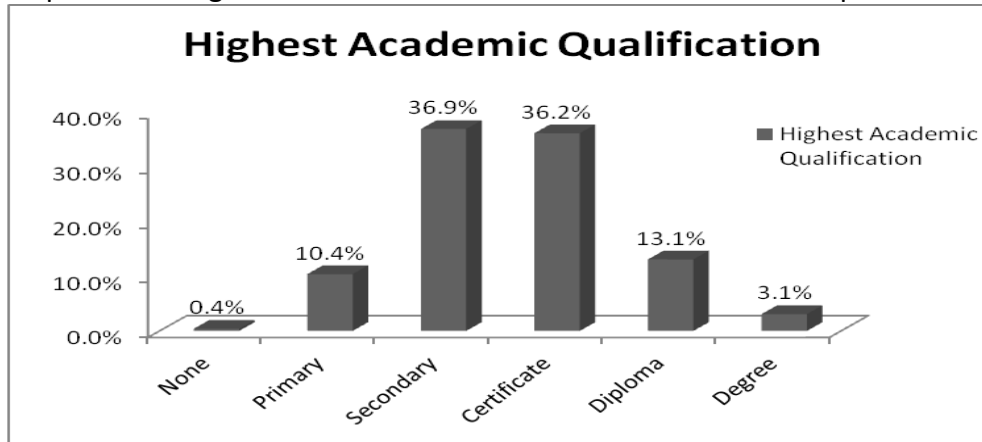


Figure 2: Highest Academic Qualification

The level of education of a person is an indicator of the technical skills and capacity of the person to operate enterprises. Thus, information on the education level of a person is very important. The study found that most of the respondents had secondary academic level (36.9%) and 36.2% certificate level. The number of respondents who had diploma was 13.1% while those with degrees were 3.1% as presented in Figure 2. Additionally, only 10.4% of the respondents had primary education level while 0.4% had no academic qualification. The findings of this study agree with Muturi and Sakwa (2013), that educational level and gender significantly affects the participation of Women in groups and that the level of education among women is a key determinant of participation in Rotating Savings and credit association. This shows that most of the women enterprises involved in the study are run by women with educational background that reasonably allow them to handle the day to day operation of the enterprises.

### Benefits of Joining Groups

As presented in table 1, the entrepreneurs in the WOE's involved in the study observed the benefits of joining group. These benefits are strong enough to ensure that WOE groups are able to thrive. The findings of this study agrees with the scholarly works of K'Aolgh (2008) that Groups provide for specific economic and social benefits such as mutual self-help, the creation of social networks and effective business performance.

**Table 1: Benefits of joining Women Groups**

Responses	Frequency	Percent (%)
Pooling of Resources	55	21.2
Access to Finances	36	13.8
Sharing of ideas	50	19.2
Access to Markets	34	13.1
Access to Training	24	9.2
Proper Decision Making	31	11.9
Networking	30	11.5
Total	260	100.0

Table 2 shows challenges facing groups to include: leadership wrangles (48,18.5%); lack of team work(30,11.5%); diverse opinions(39,15%); lack of empowerment(49,18.8%); identifying new sources of raw materials(9,3.5%); misappropriation of finances(24,9.2%); and, diversion of loans(61,23.5%). The respondents observed that Entrepreneurial Group Dynamics influencing the performance of WOE's included: social networks; educational level; cultural background; team spirit; leadership skills; identification of sources of raw materials; and commitment to business. Such challenges determined the attainment of the set goals of the groups. The results of this research agree with Roomi et al (2009), that group formation has challenges and accrued benefits and that there is a significant positive relationship between social capital, human capital and financial capital and the performance of SMEs.

**Table 2: Women Group Challenges**

Responses	Frequency	Percent (%)
Leadership Wrangles	48	18.5
Lack of Team Work	30	11.5
Diverse Opinions	39	15.0
Lack of Empowerment	49	18.8
Identifying new Sources of Raw Materials	9	3.5
Misappropriation of Finances	24	9.2
Diversion of Loans	61	23.5
Total	260	100.0

**Entrepreneurial Group Dynamics and Performance of WOE**

The independent variable, Entrepreneurial Group Dynamics was rated as follows on likert scale for the closed questions: (1) Strongly Agree (2) Agree (3) Neutral (4) Disagree and (5) Strongly Disagree. Table 3 shows various mean and standard deviation on the core dimensions of Entrepreneurial Group Dynamics; Entrepreneurial Training (1.57), Entrepreneurial networking (1.65) and entrepreneurial leadership (1.58), this is an indication that majority of the respondents agreed or strongly agreed with the statements on Entrepreneurial Group Dynamics and specifically training, networking and leadership skills as determining the Performance of Women Owned Enterprises. This implied that the women entrepreneurs derived economic and social benefits through working in groups.

**Table 3: Entrepreneurial Group Dynamics and Performance of WOE**

	n	Minimum	Maximum	Mean	Std. Deviation
Training Group members on technical skills always leads to improved Business Performance	260	1	5	1.57	.702
Groups Business networking and Socializing positively enhances Performance of Business	260	1	5	1.65	.631
The Entrepreneurial Leadership Skills learnt in the groups always promotes Performance of WOE.	260	1	5	1.58	.625
	260				

Researchers such as Bennet and Richardson (2005) have mentioned the importance of networking and developing relationships and explained how these are critical for business success. Entrepreneurs gain a lot of visibility, information, influence and cooperation because of strong social capital, they progress in their opportunity recognition process with lot of encouragement and support from friends or family members (Nthuni, 2014; Ferri, Deakins & Whittam, 2009). A study by Musimba (2012) on the role of human and social capital in internationalization of ICT SMEs in Kenya as quoted by Nthuni (2014) concluded that the survival and performance of a firm are influenced by its ability to utilize the social capital to the fullest. A positive contribution that groups make to Women entrepreneurs is the opportunity for women to gain experience in making decisions and leading and influencing others (GOK, 2009; Akoten, Sawada & Otsuka, 2006). Participation in a self-help group fosters women's self-confidence and encourages them to exercise greater decision-making within the household and in their enterprises. The quantity and quality of external linkages between a firm and its environments are crucial to its success. Networks are popularly regarded as a key factor in business success and limited networking and poor development of business relationship may be holding women back (Mutegi et al. 2013). Both personal and business networks are critical for business success. As more and more women are provided with opportunity to come together

and exchange experiences and learn from each others success and challenges, women will begin to value their experiences and be more effective at demanding for more support from different quarters and providing support to each other. Through networks women can build a system of shared vision and mission, principles and values and performance standards that allow for organizations to respond to local clients and local needs and to act as local change agents while moving their businesses and the world in a common direction. (Mutegei et.al.2013, Anderson, et.al,2007)

The business performance index of the enterprises under study in a span of five years between 2010 and 2014 was explored and notable was the increase of the mean in terms of total number of employees, sales volume, assets acquisitions and business equity.

A regression model to determine the relationship between Entrepreneurial Group Dynamics and firm performance of Women Owned Enterprises was carried out in the study. This provided the output of model summary, ANOVA and regression coefficients observed. The model summary shows the correlation and the R-square (coefficient of determination) realized by the two variables whose outcomes are presented in table 4.

**Table 5: Entrepreneurial Group Dynamics Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.492 <sup>a</sup>	.243	.224	.17520

a. Predictors: (Constant), Entrepreneurial Group Dynamics

The study observed that – as presented in table 4– the relationship between Firm Performance of WOE's and Entrepreneurial Group Dynamics have a correlation index of 0.492. This is an indication that there is a significant defined relationship between the Performance of WOE's and the Entrepreneurial Group Dynamics. This was further confirmed by a coefficient of determination of 0.243 observed in the model; an indication that Entrepreneurial Group Dynamics have the ability to explain only 24.3% variability of the Performance of WOE's which when adjusted for errors reduces to only 22.4%. This relation is sufficient enough to confirm that there exists a relationship between Entrepreneurial Group Dynamics and Performance of WOE's which is highly significant and has the ability to influence Firm Performance.

## Conclusions

The study found a significant level of correlation and coefficient of determination between Entrepreneurial Group Dynamics and Firm Performance (R 0.492; R<sup>2</sup> 0.243). The coefficient of determination realized indicated that Entrepreneurial Group Dynamics can be able to explain 24.3% of the variability in Firm Performance. Entrepreneurial Group Dynamics was observed to have a positive impact on Firm Performance of WOE's in Embu County hence leading to the observation that improvement in Entrepreneurial Group Dynamics; Entrepreneurial Training,

Business Networking and Entrepreneurial Leadership Skills would greatly enhance Firm Performance.

### **Recommendations**

The study made the following recommendations:

Given that Women Owned Enterprises are key to economic development; it is essential for government agencies and other stakeholders to create an enabling environment in terms of policies that supports Entrepreneurial Group Dynamics so that their efforts continue to bear fruits within the Women Owned Enterprises. By understanding the Entrepreneurial Group Dynamics and its impact on Firm Performance, women entrepreneurs will be more willing to form groups that would enable them to become business owners and hence be developed. Entrepreneurial Leadership skills, networks and Entrepreneurial Training skills will be promoted by the government and related stakeholders and partners.

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