

**INFLUENCE OF ENTREPRENEURIAL SKILLS ON THE
PERFORMANCE OF JUA KALI ARTISANS IN KENYA.**

A CASE OF JUA KALI ARTISANS IN MERU TOWN. //

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**A RESEARCH PROJECT REPORT SUBMITTED IN FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF DEGREE OF MASTER OF ARTS IN
PROJECT PLANNING AND MANAGEMENT AT UNIVERSITY OF NAIROBI.**

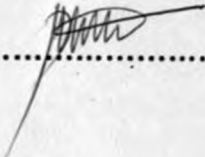
2012

DECLARATION

I hereby declare that this is my original work and it has never been submitted to any University or any examining body for any other award.

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DEDICATION

I dedicate this Research Project Report to my loving wife Christine Kaguri for her support and understanding as I pursued my studies at the University of Nairobi. Also to my daughter Blessy Wanjiku, for bearing with me during my busy schedule. Your moral support and encouragement has made it possible for me to write this report.

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To my class discussion group which had colleagues like Sayi, Beth, Florence, Bule and Cyrus thanks for your peer support and for providing an opportunity for academic expression. I also wish to thank the Management of Meru Extra Mural Centre for their encouragement and support.

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ACRONYMS

GDP- Gross Domestic Product	17
GOK- Government of Kenya	18
NGO – Non Governmental Organization	18
GOVT – Government	20
MOPD- Ministry of Planning and Development	20
SPSS- Statistical Package for Social Sciences	20
R&D- Research and Development	26
IT- Information Technology	57
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ABSTRACT

Recently, there has been an explosive growth in world-wide interest in the jua kali sector as a panacea for the problems of poverty and unemployment. This interest is driven by crisis, great and growing need, and a conspicuous lack of viable options, yet the human realities of life in the jua kali sector remain largely a mystery. Many, perhaps most, of the current jua kali sector initiatives are not sufficiently well informed by a clear sense of what support measures are likely to work in future, much less about what has worked in the past. Many mistakes are being made, and many opportunities lost, with much avoidable human suffering. Within the last two decades a significant number of research works have been carried out on various issues relating to performance of the jua kali sector towards national development. However, few empirical studies on influence of entrepreneurial skills on the performance of jua kali artisans have been established in Kenya. In an effort to contribute to the existing literature on the relationship between entrepreneurial skills and jua kali performance, a study of jua kali artisans in Meru Town was conducted. Specifically, this study examined the influence of entrepreneurial skills on the performance of jua kali artisans in a developing country like Kenya using the current operating jua kali artisans in Meru Town as a case. The objectives of the study were; Influence of managerial skills on performance of jua kali artisans, influence of Technical skills on performance of jua kali artisans, Influence of IT skills on performance of jua kali artisans and influence of communication skills on performance of jua kali artisans. Performance was based on net profit and sales. The sample purposely consisted of 235 jua kali artisans who were selected using Stratified Random Sampling. The study employed both qualitative and quantitative research techniques. Data was collected using both open ended and closed ended questionnaires. The Design for the study was Correlational Research Design where it was established that there was a positive correlation between performance and entrepreneurial skills. The study established that managerial skills had a positive correlation with respect to performance with a correlation coefficient being $r=0.204$. On technical skills the correlation coefficient was 0.653 indicating a very strong correlation between technical skills and performance. With regard to communication skills the study established that there was a weak positive correlation between these communication skills and performance. The study therefore recommends training of jua kali artisans on entrepreneurial skills to enable them improve and grow their businesses.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Poverty levels in Sub-Saharan Africa are remarkably high especially in rural areas (Newman & Canagarajah, 2000). Kenya's population living in poverty is 76% and it is among the 12 countries in the world that account for 80% of the world poor. To address this problem it is increasingly becoming necessary also to look into the potential of the informal sector. According to Thyra & Steel (2000), Kenya's informal sector constitutes 98% of all businesses in the country, absorbs annually up to 50% of new informal sector employment seekers, has an employment growth rate of 12-14% ,contributes 30% of total employment and contributes 3% of GDP.(Gross Domestic Product). A fundamental thread that runs through vision 2030 is the desire for Kenya to ultimately become knowledge based economy. In such an economy technology, knowledge and skills play a more profound role in economic growth and competitiveness than other factors of production such as labour, capital and natural resources (The Standard 12th May 2012)

The role of the informal sector is not only the source of employment, it is also a device against poverty and its good and services cater for some of the basic needs of low income consumers according to Billetoft (1989).Further according to Lanjouw & Feder (2001) this sector is getting attention because of its perceived potential in reducing inequality in absorbing a growing and rural labour force, in reducing rural-urban migration and contributing to national growth. The informal sector is commonly known in Kenya as Jua Kali which literally means 'hot sun' in Kiswahili referring to enterprises which carry out their businesses under the hot sun i.e. without adequate shelters or workshop space.

According to (Government of Kenya) GOK (1992) the Juakali sector provides goods and services, creates jobs, development skills, strengthens forward and backward linkages, creates demand as well as supply, facilitates indigenous entrepreneurship, support industrialization policies and increases savings and investments. It is through informal activities and businesses that man was able to innovate and make discoveries that have been vital in the modern world. The informal activities have with time brought immense benefit to mankind and economies. Therefore according to Billetoft (1989) Juakali is today identified as an alternate to shrinking formal job market.

Official policy initiatives show that the GOK has taken increasingly specific steps in recent years to formulate policies which address market failures and environmental constraints facing informal sector entrepreneurs on different fronts. Both the jua kali and small scale enterprise sectors have been targeted as primary vehicles for social and economic development in sessional paper No. 1 of 1986 on "Economic Management for Renewed Growth". The sessional paper recognized for the first time that a majority of future non-farm job opportunities would be in the jua kali sector which in spite of its past negative public image possesses many positive characteristics. The Kenya's Sixth National Development Plan of 1989 - 1993 and subsequent development plans as well as sessional papers of 1986 and 1992 propose more detailed measures to promote Jua Kali enterprises. One such proposal is that various ministries would act mainly as catalysts and facilitators in addressing a range of specific issues, reviewing policies in their areas of competence and providing limited services as appropriate, while leaving the important role of direct intervention for private sector organizations.

However, the GOK should provide services where it is better placed to do so than non-governmental partners such as banks, NGOs equipment suppliers and other stakeholders. The beneficiaries of such services namely, the jua Kali artisans would be expected to cost-share. According to the Ministry of Research, Technical Training, and Applied Technology (MRTT&T), the objectives for informal sector training (including jua Kali) are categorized under three main areas namely; technical skills acquisition and up-grading which seek to, equip the artisans with basic technical skills to produce quality goods, up-grade technical skills to keep up with changing technological challenges, train in product design and diversification. Basic Business management and bookkeeping focusing on: enabling the artisan to do proper costing and pricing, Facilitating proper accounting and book keeping including cash flow, Performing proper financial management, Storekeeping, management, and procurement and training in personnel management. Informal sector consists of lots of more or less viable micro-enterprises, most of them yielding only modest incomes to their operators. Most of these operators are neither uneducated nor among the poorest of the poor. Their productivity is often low both as a result of specific skill deficiencies and a lack of customers. They are not in large numbers dissatisfied and thinking of doing something else, no doubt because alternatives are limited. Finally, it appears important to reiterate that a large

extent of heterogeneity exists among micro-entrepreneurs. This should render any generalization aspect and be evident in interventions aimed at them.

1.2 Statement of the Problem

It has been noted by a number of scholars and researchers like Obuadho (1981) Mochache (1990) & Atieno (1986) that the evolution of the informal sector in Kenya can be traced back to the early 1960s when the newly independent state introduces trade licenses work permits, and state-owned monopolies as part of the broader strategies for economic indigenization. Since then this sector has witnessed bustling activity and renewed interest both by external agencies and the government with the desire to intervene directly which contrasts with neglect which characterized the early years (Oyugi 2001) Management skills, IT skills, technical skills and communication skills possessed by an artisan are very important as these are foundation to performance in this industrial development in Kenya:

The nature of skills in an industry determines its standards of performance and its capacity to remain competitive (Steve D, 2010). The overall research problem to be addressed in his study is that despite mushrooming of jua kali businesses little has been done to analyze the influence of entrepreneurial skills on the performance of these businesses. Studies carried out of 100 Kenyan micro-entrepreneurs in the jua kali sector by (King & Obuadho 1995) shows that those entrepreneurs who receive both formal and informal training are better off in terms of their competencies. Further they conclude that a combination of informal and formal sector training is the most effective as a formal sector exposure improves the entrepreneurial and technical capabilities of the entrepreneurs.

In the study Huck And McEwen (1991) conducted on small business owners in Jamaica three management skills were identified as the most important to the success of entrepreneurs namely: Efficient administration, careful planning and budgeting and marketing. Many studies have been done on the influence of entrepreneurial skills on the performance of jua kali artisans and some have indicated that there is a positive relationship between entrepreneurial skills and performance of jua kali artisans for instance Capron, Dussage & Mitchell (1998) highlight how firm performance responds favourably when related managerial capabilities developed in other companies are brought to bear in new situations.

A mixture of studies found that some key factors that lead to the business failure were due to the lack of management skills or competencies (O'Neill & Ducker, 1986; Terpstra &

Olson,1993) and the other perspective concluded that management skills of entrepreneurs were conducive to business performance and growth (Bird,1993;Cooper & Gimeno – Gascon,1992;Ronstadt,1984).

Lack of entrepreneurial skills has therefore been cited as a common reason affecting the performance of jua kali artisans. Nevertheless the relationship between entrepreneurial skills and performance of jua kali artisans has hardly been analyzed. If the issue of imparting entrepreneurial skills on jua kali artisans is not taken up seriously jua kali businesses will not perform as expected and this will result in reduction of employment growth rate in the informal sector and also the GDP of the country will be adversely affected. This in the long run will make it difficult for Kenya to achieve vision 2030.

1.3 The Purpose of the Study.

The purpose of the study was to investigate the influence of entrepreneurial skills on the performance of Jua Kali artisans.

1.4 Research Objectives

The study was guided by the following objectives:

- a) To examine how managerial skills influence performance of Jua kali artisans in Meru Town.
- b) To assess the influence of technical skills on performance of Jua kali artisans in Meru Town.
- c) To establish the influence of IT skill on performance of Jua kali artisan in Meru Town.
- d) To determine how communication skills influences the performance of Jua kali artisans in Meru Town.

1.5 Research Questions

The study was guided by the following research questions

- a) To what extent does managerial skills influence the performance of jua kali artisans in Meru Town?
- b) How does technical skills influence the performance of jua kali artisans in Meru Town?
- c) How does IT skills influence performance of jua kali artisans in Meru Town?
- d) To what extent does communication skills influence performance of jua kali artisans in Meru Town?

1.6 Significance of the Study.

The findings of the study will be available to GOK educational institutions and research bodies through this report. It is expected that the GOK which is beginning to put due emphasis on the development of jua kali sector might benefit from findings when formulating policies towards the development of jua kali artisans. Also the ideas emerging from the study could be used by educational and training institutions as basis for planning new programmes and courses and evolving appropriate support systems to jua kali artisans.

1.7 Delimitations of the Study

The scope of the study was limited to Meru town. The study only targeted jua kali artisans operating in this area. The study only sought to investigate influence of managerial skills, technical skills, information technology skills and communication skills on the performance of jua kali artisans since there are many entrepreneurial skills.

1.8 Limitations of the Study.

This study employed Correlation research design which only uncovered a relationship. It cannot provide a conclusive reason for why there is a relationship. A correlative finding does not reveal which variable has influential power over the other. Reasons for either can be assumed, but until more research is done, causation can't be determined. Also, a third, unknown variable might be causing both. Some of the respondents were unwilling to give some information that they felt sensitive to reveal for security reasons. To overcome this challenge the researcher assured the respondents of confidentiality in using the information

provided as well as stressing that such information would be for the purposes of the study alone. There was also time and financial constraints in carrying out the study.

1.9 Assumptions of the Study

The study assumed that sample population to be chosen would voluntarily participate in the study and that the respondents would give accurate complete and honest responses as possible. The study also assumed that the respondents would understand and be able to answer the question in the data collection tools. The researcher also assumed that the Jua kali artisans in Meru town were similar to others-elsewhere in the country.

1.10 Definitions of significant terms

Communication skills-Is any act by which one person gives to or receives from another person information about that person's needs, desires, perceptions, knowledge, or affective states. Communication may be intentional or unintentional, may involve conventional or unconventional signals, may take linguistic or nonlinguistic forms, and may occur through spoken or other modes.

Entrepreneur –this term is used in this study as a businessman who initiates business ideas and products. Is a person who has possession of a new enterprises venture or idea and assumes significant accountability for the inheritance risks and the outcome. An entrepreneur is always willing to take upon himself or herself a new venture or enterprise and accepts full responsibility for the outcome.

Informal sector - The general view of the informal sector is that it comprises of activities primarily of petty traders involved in such activities as selling of second-hand clothes, shoe shinning, food selling and repair and construction; operating mainly from the streets of the main urban centers. It is only in Kenya that it is referred to as the jua kali sector.

IT skills-Everything from data management, networking, engineering computer hardware, software design, database design and management and administration of systems is included in the term of information technology. When covering the aspects of IT as a whole, the use of computers and information are typically associated.

Jua kali artisans – are those small skill workers eking their living by manufacturing products and/or providing services in open air under the tropical sun

Managerial skills-The ability to make business decisions and lead subordinates within a business or a company.

Performance - Degree of success of an investment in making returns in terms of money and other forms of expansion.

Simply, managerial skills are knowledge to fulfill some activities or tasks.

Technical skills-Technical skills are those abilities acquired through learning and practice.

They are often job or task specific; in other words, a particular skill set or proficiency required to perform a specific job or task.

1.11 Organization of the study

Chapter one has highlighted background to the study, statement of the problem, purpose of the study, the objectives of the study, research questions, significance of the study, delimitations of the study, limitation of the study, assumptions of the study and definitions of significant terms. Chapter two has discussed jua kali sector in Kenya, concept of entrepreneurship, entrepreneurship and jua kali sector in Kenya and conceptual framework. Chapter three has highlighted an overview of research methodology with regard to research design, sample size selection and methods of data collection and data analysis , chapter four is about Data Analysis, Interpretation and presentation of findings inform of tables and chapter five will discuss summary of findings,discussions,conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter on literature review discusses various views on the Jua kali sector in Kenya, concept of entrepreneurship, entrepreneurship and jua kali sector in Kenya managerial skills, technical skills, information technology and communication skills and how they influence performance of Jua kali artisans.

2.2 Jua kali sector in Kenya

In Kenya the informal sector is referred to as Jua kali which literally means fierce sun in Swahili. The name stems from the fact that the workers in the informal sector work under the hot sun beating on their heads and backs while working on metal wood or selling wares on the streets. The work involved is harsh and hard usually done under harsh conditions.

The Kenyan informal sector usually operates on small scale locally and at subsistence on small-scale locally and at a subsistence level. They have fewer employees especially (home-based enterprises) they operate for a short period and have poor access to water and electricity and few sell outside the establishments where the entrepreneurs live this is according to world Bank (2006).

In research undertaken in Kenya some six years ago involving over 800 entrepreneurs in 19 towns, about 43 training needs were identified (Yambo 1991). The majority of the entrepreneurs interviewed expressed a preference for financial management and marketing as top priorities. Other skills requested included: fashion design; product development and improvement; product finishing; use and maintenance of machines; personnel management; welding, metal work and body building; and repair of computers, cameras, calculators, televisions, radios, and electronic watches (Yambo 1991). In addition, about 78% of the respondents indicated that they would like to be trained as trainers of other artisans or entrepreneurs.

Not all training of informal sector artisans occurs at specific worksites. Some formal institutions also offer some training. Although, in Kenya, the informal sector trains substantially more artisans per year than those trained at the formal institutions (Yambo 1991). However, what is eventually a more significant determinant of entry into self-employment is the "range of experience obtained over many years in the manufacture, design,

sourcing of materials, knowledge of clients, marketing, etc. (King 1996). Whatever the source and duration of training and subsequent experience in the work environment, training in entrepreneurial, technical, and managerial fields does offer the way forward to the success in and creation of employment opportunities in the jua kali sector. The informal sector is generally considered to be an avenue for entry by those school leavers "who either cannot afford or qualify to enter the formalized vocational training" (GOK 1988). In other words, it is an alternative source of hope for employment and for many people.

Previous efforts had been made to improve the jua kali sector without success. There were public programs aimed at providing the vast majority of technical training in Kenya but failed to train people on how to develop their own business or to find employment in the juakali sector. There was the programme aimed at developing skill through the local youth polytechnics. The funds allocated to the programme were embezzled and the imparting of skill was a total failure according to King (1996). According to Gibson (2007) the organized private sector has been unable to absorb the growing number of jobseekers and the jua kali sector stepped in to fill in the gap. This indeed is the reason why Juakali sector should be supported and encouraged.

2.3 Concept of entrepreneurship

Hisrich *et al*, (2008) traces the origin and development of the term entrepreneur in French language which means "between takers" or "between". Marco Polo (1254-1344) was an example of an earliest entrepreneur who traded with borrowed capital with Far East traders in middle ages. Hisrich *et al*,(2008) explains that the term entrepreneur was used to describe both an actor and a person who managed large production projects. In the Middle Ages entrepreneurs took no risk but managed the projects using the resources produced. The cleric of the time was considered as entrepreneurs since they were in charge of great architectural works such as castles and fortifications, public buildings, abbeys and cathedrals. The association of risk with entrepreneurship remained in the 17th century with an entrepreneur being a person who entered into contractual agreement with the government to perform a service or supply stipulated products (Hisrich *et al*, 2008). Cantillon (1680-1734) is claimed to be the founder of the term entrepreneur and developed one of the early theories of an entrepreneur. An entrepreneur was defined by Cantillon a risk taker observing that merchant farmers, craftsmen and sole proprietors buy at a certain price and sell at a risk. By the 18th century understanding of an entrepreneur was associated with those industrialists who needed

capital thus differentiated from providing a capital (venture capitalist) this is according to Hisrich *et al*, (2008).

Hisrich *et al*, (2008) explains that in the 19th and early 20th century entrepreneurs were not differentiated from managers and were viewed from an economic perspective. Schumpeter (1952) explains that the function of the entrepreneurs is to reform or revolutionize the pattern of production by exploiting a method of producing a new commodity or producing an old one in a new way.

The 21st century meaning of an entrepreneur derived from principles and terms from business managerial and personal perspective (Hisrich *et al*, 2008). A widely accepted meaning of an entrepreneur by Hisrich and Brush (1985) is the process of creating something new with value by devoting the necessary time and effort assuming the accompanying financial, psychic and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence.

2.4 Entrepreneurship and jua kali sector in Kenya

A major factor in sustaining employment in the jua kali sector is training in entrepreneurial managerial and technical fields. It has been established that most entrepreneurs and artisans acquire their jua kali skills through on the job training and apprenticeship their in according to Twoli and Maundu (1994). Normally most trainees are brought in through family ties of friendship and generally possess low academic qualifications according to World Bank (1989). The duration of the training is quite varied depending on the kind of trade or skill one is going in for. According to Twoli and Maundu (1994) training may range from six months to five years. This training is important or it seeks to develop essential work skills and attitudes required for survival at the informal sector of jua kali activity in question. On the other hand the public programmes do not provide the required skill in the competitive and changing market. According to Gibson (2007) the government is now aided by the World bank concentrating on the private sector where it aims at advancing the workers knowledge and improving the entrepreneurial and technological skills

Urbanization in Kenya on the other hand has been occurring in the context of weak economic growth resulting in poor infrastructure housing and services especially in the slums. According to Meir and Rauch (2000) low income consumers do not simply consume less. They consume goods and services which serve similar purposes but at a much lower price.

The jua kali sector is a crucial sector of most of the developing countries. According to the comprehensive report of the World Bank (2006) of the Kenyan informal sector, there is a tremendous increase in the activities and involvement of the population in the sector. This has been largely due to the privatization of the public sector as well as rise in the unemployment rate especially among the youth. However liberalization and privatization processes have resulted to the states failure to be the employer and the private sector is left to take up this role.

2.4.1 Managerial Skills and Performance of Jua Kali artisans

There are many studies conducted about management skills in the past. The study by Yusuf (1995) found that good management skills are one of the factors most critical to the success of South Pacific islanders' entrepreneurial activities. Other than Yusuf (1995), several other on entrepreneurs in developing countries (Busch, 1989; Huck and McEwen, 1991; Gosh *et al.*, 1993) tried to answer the questions which management skills are critical to the success of entrepreneurs. In the study Huck and McEwen (1991) conducted on small business owners in Jamaica, three management skills were identified as the most important to success of entrepreneurs, namely: Efficient administration, careful planning and budgeting and marketing/sales active. In their study, efficient administration was specifically referred to as the frequency of maintaining financial record, human relations skills and getting clear goal and objectives.

Lorrain and Dussault (1988) found that management's behavior skills is different between successful and unsuccessful entrepreneur and this conclusion is supported by Drucker (1985) who concluded the management's behavior skills could better predict entrepreneurial success as compared to personality characteristics. Similarly Neshamba (2000) found that other than experience, the skills acquired at work are important factors that contribute to business success and growth. Pratt (2001) also identified through the study made by the Kenya Management Assistance Programme (K-MAP) that to have business skills is an important factor for success. Apostilidis (1977) outlines six characteristics for successful entrepreneur. All six cases were on management skills and among the important characteristics a successful entrepreneur must have are the ability to detect and respond quickly to market changes and the appropriate changes in buying habits, having an attractive product range, to gain market share which is in accordance with firms size and ability to have sufficient capital, possess management expertise and create a master plan for growth. All those business management

skills are essential to the success of entrepreneurs. Sarasvathy (2001) also listed management skills as one of the three factors that affect entrepreneurial performance apart from knowledge, relationship and social networks.

Brown et al.(1987)reviewed a total of 602 business owners who have had entrepreneurship courses. The respondents who have had attended the course before starting a new business stated their success were due to factors such as organizational management skills, good cost control and effective marketing. Richter and Kemter (2000) examined the factors that determined the success of small businesses. Their study compared successful and less successful organization. Among the criteria for success are the change in the number of employees since the firm was established, market share, the valuation of economic development and sales issues, Richter and Kemter found that having the ability and competency to control and plan the whole business is an important management skill for business success.

In addition, Richter and Kemter (2000) also stated that more successful business owners have good management skill by offering a special service and paid attention to quality and design of their products or services. Cooperation with similar companies, a flat organizational structure, delegating responsibility and nurturing management capabilities are also management skills that determine business success. Goldenberg and Kline (1999) examined the perception of entrepreneurs towards success. Among the variables used are the source of motivation for someone to succeed in the business itself (such as the desire to get more money or having been removed from the previous organization), demographic information and business management skills and four other factors described by Drucker (1985).Drucker suggested that to be successful, a business must meet four requirements of management skills which are:Marketing activities,A strong financial base, Building efficient top management teams and Active role played by entrepreneurs. Goldenberg and Kline (1999) interviewed 128 entrepreneurs representing the manufacturing, retail and services sectors. The findings show that only the variables of marketing strategy and business plan are critical in predicting the likely success of a business. Entrepreneurs in a study covering Singapore, Jamaica and the United States (Hess, 1997; Herbet, 1989) also found that marketing factors (such as good service, ability to cater to customers' satisfaction, ability to look for market opportunities, advertising and sales promotion) are the most critical elements in the success of small businesses. All these involved good management skills. Hornaday and Aboud (1975) used

three objectives tests interviews and a self-assessment scale to test a group of 60 successful entrepreneurs. These results indicated that, compared to the general population, successful entrepreneurs are those who managed to score significantly higher on the scale that represented the need for achievement, self –freedom and effective leadership. Effective leadership in fact refers to management skills. According to Conger (1999), business operates in an unstable environment. It changes regularly and forces the entrepreneur to forecast changes, always prepare their business to meet new changes and be able to motivate their employees to operate in a changing environment. Thus, to have the requisite management skills are essential for an entrepreneur to lead and not just to manage in order to continue to compete and be successful in such circumstances. McDale (1998) stated that the business features mentioned as the contributing factors to business success among entrepreneurial artisans in Ghana are the management skills such as applying for a business loan, marketing for products and innovation in their products.

Perelman (2001) reviewed the management styles of women entrepreneurs in high technology industries. In a rapid changing environment, these entrepreneurs make decisions clouded by uncertainty and ambiguity, thus, good decision is largely dependent on their judgments. Perelman found that to be successful in their businesses decisions that they made needed to reflect the changing needs of high-tech industries. In addition, there were flexibility in risk-taking, focus, personal involvement in day-day running of the business, creativity, energy renewal (innovation), understanding (insight) and business impulse (intuition) where all these require good management skills. Bereton (1974) stated that the success in business is associated with behavior that involved innovative management skill such as producing new ideas willingness to try new ventures and reaching out to others who have the same values. Jelineck and Litterer (1995) agreed that entrepreneurial organizations may be different from the traditional ones in terms of the way in which they adapt to the environmental changes. Thus entrepreneurial organizations need effective management skills to react to internal and external changes to depend more on social norms and the spirit against the official rules of traditional organization. Giving power and responsibility to the worker and equipping them with management skills to respond are critical so that they may meet the challenges of changes and hence, succeed in their undertaking. This among others means specialization conducted during work. For example, there are individuals who manage the accounts and finance, while others specialize in marketing and resource management in the organization. Thus, the operation can be performed more efficiently and effectively, enabling the

organization to compete in the same sector. However, only those who are self-reliant and exercise prudent financial management without seeking help from any party can be deemed as a successful entrepreneur. This will make them independent to face all the challenges (including changes in the environment) that are inherent in their business undertakings (Hisrich et al., 2002; Timmons and Spinelli, 2000; Rosdi, 2002).

Ibrahim and Goodwin (1986) suggested that successful entrepreneurial behavior can be explained among others by the strategies, financial management and organizational structure of the variables representing the factor of management skills. Management skills to obtain capital or funding sources are critical to business. This is because the chances of obtaining funding are different between small and large companies. Coleman and Cohn (2000) emphasized that small companies can only reach limited public equity markets and credit facilities are rare. At the same time, large companies can finance their business by issuing shares or bonds which a small company is not able to do so. As an alternative, small companies are very dependent on trade credit, loan from the banks, and informal financing sources such as internal savings, credits cards and loans from family and friends. (Ang, 1992; Ang et al., 1995; Bink and Ennew, 1996). therefore, management skills terms of securing financing are essential to ensure business success of jua kali sector.

Hustedde and Pulver (1992) conducted studies on a group of small entrepreneurs some of whom have succeeded while other has failed in obtaining capital funding. They found that successful entrepreneurs are those who managed to obtain financing, have good management skills to choose the right location. Hirsch and Brush (1987) also found that the charge imposed by financial institutions is the constraint faced by small companies to get financing. This is where the micro-credit scheme played an important role to provide unsecured capital financing, and it relaxed the condition for small entrepreneurs to obtain financing. Among the necessary management skills that entrepreneurs need to have is good plan. This is turn can help the entrepreneurs in the business marketing and earn the trust of customers and suppliers (Battern, 2000) and thereby contributing financing. The success of entrepreneurs is limited because they are weak in the areas of management, particularly in financial management (Rudy, 2002; Malaysia, 2000). They must not expect to start a business based solely on the opportunities provided. Successful entrepreneurs must take rapid action based on the current requirement to change existing strategy they implemented. This means they can not just depend on the initial strategy that they may have set earlier.

2.4.2 Technical skills and Performance of Jua Kali artisans

The development of relevant skills and knowledge is a major instrument for improved productivity, better working conditions, and the promotion of decent work in the juakali industry. Better, less work-intensive and safer technologies can raise productivity and income, reduce work drudgery and occupational risks to health and safety, and improve products. New skills and knowledge can open doors to more economically and socially rewarding jobs. Basic life skills, such as numeracy and literacy, problem-solving and management, communication and negotiation skills, improve confidence and capacity to explore and try new income-earning opportunities (ILO 2000). In addition, better-educated entrepreneurs are generally also more responsive to policy measures, which is important for the sector's development. Higher education levels mean more stable income generating enterprises in the informal sector as a whole (King and Abuodha 1995). Improving productivity is essential to the survival and growth of informal units. It is also a prerequisite to their gradual formalization. The improvement of productivity requires, among other things, easier access to technical training, which has often been lagging behind other interventions such as credit. But as Nelson (1997) points out, the need to go beyond credit in order to stimulate business development in the juakali sector is emerging as a priority among researchers, practitioners and policy makers.

The positive impact of training on technical knowledge in both the formal and informal sectors has been clearly demonstrated in the literature. As Fretwell and Colombano (2000) point out, there is a considerable body of research that shows that skills and education have a positive rate of return and are essential to increased earnings and productivity. Jua kali sector jobs are not always synonymous with urban poverty. On the contrary, they can offer opportunities for development both in terms of skills development as well as income generation. In Verner and Verner's (2000) analysis of the economic impact of a training programme in the Jua kali sector in Côte d'Ivoire, some particular groups clearly benefited economically from the training. These groups included women, workers from the agricultural and electronics sectors and workers of firms employing 1 to 3 persons or more than 10 persons.

Burki and Ubaidullah (1992) refer to research conducted in Pakistan demonstrating that returns to investments in human capital in the informal sector are very similar to returns in the formal sector: human capital investments are rewarded in the form of higher earnings. King and Abuodha (1995) found in their survey on training needs of 100 informal sector entrepreneurs in Kenya a correlation between the level of education and the performance of the enterprise. Combined formal and informal training seemed to strive for the best firm performance whereas neither formal nor informal training alone led to good performance. But at the same time, it was noted that some entrepreneurs who participated in the study had no training at all and yet reached high income levels. This finding, as the authors point out, challenges the conventional wisdom of the correlation between the level of training and income. However, as the sample size was small and the study focused on particular trades, generalizations cannot be made.

People who work in the informal sector mostly have limited access to formal education; profiles in terms of the years spent in education suggest quite low levels of training (Fluitman 1989; Lautier 2000). For instance, a recent survey of informal sector employment in Mali reveals that 76 percent of informal sector workers, that is 900,000 people, did not receive any education at all (Lautier, 2000). The West African Economic and Monetary Union states that this figure reflects the situation in other countries in the Western parts of Africa (Gomez, 2000). Lubell's and Zarour's study (1990) shows that only 21 percent of the apprentices in Dakar had attended primary school. World Bank statistics (1995) for the informal sector in Ghana indicate that 36 percent of the informal sector workers in Ghana had completed the 10th grade and 10 per cent had some tertiary education. In Tanzania, according to a National Informal Sector Survey of 1991, 80 per cent of the informal sector workers are unskilled, 10 per cent are trained on the job and only 5 per cent are skilled (Kent and Mushi, 1995). In Kenya, a total of 85 per cent of all informal sector operators have not received any training at all and the situation might be even worse in the rural areas and amongst women. The situation in Uganda is similar; national micro and small enterprise surveys show that the majority of all workers in the micro and small enterprises are without skills (Haan, 2002).

Nonetheless many of the informal sector workers do manage to acquire most of the basic skills and competencies that are necessary to carry out their activities (Overwien 1997). In some North and West African countries, informal sector workers have more years of training behind them than those in formal sector employment, given the time spent in getting trained

informally. There is also a trend in some countries for increasing numbers of recent graduates going straight to the informal sector, as formal sector employment opportunities are so limited. In Senegal, for instance, the State provides some financial incentives for informal sector workers that attract recent graduates (Lautier, 2000). King and Abuodha (1995) also observe in their Kenyan study on the educational levels of micro-entrepreneurs in the informal sector, the occurrence of a small number of highly educated persons, a new phenomenon in the informal sector. They also note that the educational levels of informal sector workers in Kenya have risen considerably during the past two decades. They see this as a trend that will continue because skilled workers who would normally work in the formal sector are looking for work in the informal sector. This is due to weakening employment prospects in the formal sector: the lack of jobs, falling real wages as well as poor career development and advancement prospects. Informal sector activities are also more accepted, encouraged and have gained more publicity than before. In fact, some informal economy prospects may even attract successful and well-educated people away from stable jobs in the formal sector.

Most informal sector workers who possess skills have acquired them through non-formal training or traditional education/informal training outside the state schemes of formal education. Often these are the “better off” workers, because poorer candidates simply cannot afford the training or the time it takes. Informal training and learning-by-doing often play the most significant role in providing workers of the informal sector with skills (Overwien, 1997). In Latin America, informal sector workers acquire most of their competencies through practical, informal work. Formal and non-formal education also plays a part, with varying significance depending on the region. Non-formal and formal education does not often reach the same level of significance as learning-by-doing (Overwien 1997). However, King's and Abuodha's study (1995) of 100 Kenyan micro -entrepreneurs in the jua kali sector shows that those who receive both formal and informal training are better off. King and Abuodha conclude that a combination of informal and formal sector training is the most effective as a formal sector exposure improves the entrepreneurial and technical capabilities of the entrepreneurs.

A World Bank study of 1993 as put forth by Fretwell and Colombano (2000) on Vocational Education and Training in developing countries shows that entry to the informal sector requires very few skills that can easily be learned on the job. Ganghnon (1997) shows in his study in Chad that the perception of training needs differs considerably between the informal

entrepreneurs and the outside observers. While most informal sector workers are able to explain what they need to do, they are uncertain about what they need to know in order to accomplish the task efficiently. The process of completing a task is carried out more often by trial and error rather than any conceptual or technical mastery.

Baden (1997) found in her study on employment, income generating activities and skills training in post-conflict Mozambique that the women interviewees, mostly traders, expressed a willingness to participate in training, but did not know what kind of training they should take or of what benefit it would be to them. Some of the women mentioned sewing courses which may reflect the dominant perceptions of what is suitable for women rather than what will actually provide better incomes. Some women expressed their interest in training in accounting, business and marketing skills. Older and illiterate women were most negative about training, because they believe they can not get any training without basic literacy.

Abdelkader Easton, Gushee & Liebert, (1997) found in his study on the training needs of workers and apprentices in Chad that the most frequently expressed training needs concern technical skills (cited by 81 percent of the respondents) and management skills (67 per cent). In Kenya, half of the micro and small enterprise owners indicated that their workers did not need any training, while 23 per cent suggested management training and 10 per cent technical training. The situation was the same in Uganda: less than half of the informal sector operators indicated no need for training and the majority of those who were interested in training indicated a need for management training rather than for technical skills (Haan 2002). Kent and Mushi (1995) found in their study on the education and training of artisans in Tanzania that only 13 percent of the young male respondents considered education and training important for achieving their work -related goals. Both male and female respondents identified access to credit as the principal requisite for fulfilling their ambitions.

2.4.3 Information Technology skills and Performance of Jua Kali artisans

Assigning a precise definition to technology has proved difficult because early economists tended to view technology primarily as hardware used in production. This understanding of technology is now accepted as an oversimplification. The current view is that technology has a number of dimensions which should be reflected in its definition. Aduda and Kaane (1999) state that technology “is a body of knowledge of techniques, methods, processes and designs” Tiffin (1994) provides a more expansive meaning to technology by providing both a definition and dimensions of the concept. Technology, according to him is “an organized way

of using natural principles to design and construct something” The dimensions are hardware, software, liveware, system ware and innovation ware. Hardware is the physical object, like a machine or equipment used in a factory or by consumers. This is the dimension of technology which is most conspicuous because it is observable. The software and liveware components of technology which David (1993) refers to respectively as codified and tacit knowledge is critical if staff are to make effective use of the hardware. Software is compressed and codified information to enhance its transmission, storage and reproduction. This information can be in the form of programmes for computers or instruction manuals for operating machines. Liveware dimension represents the skills which staff needs to effectively interpret and use the software in operating the hardware. Acquisition of liveware occurs through demonstrations, instructions and advisory services by the experts (David, 1993; Tiffin, 1994). The last two dimensions, system ware and innovation ware, emphasize the fact that technologic functioning system of physical infrastructure, electricity, postal services, telecommunications, railways, roads, water supply and production supplies; and second, firms which use the technology should engage in continuous improvements of the technology through research and innovation (Tiffin, 1994). A developing nation, like Kenya, needs to put in place institutional arrangements for generating and disseminating technology. Organizations which play a primary role in the technological generation and change are identified by Coombs, Saviotti and Walsh (1987) as: Bodies which generate new technology, like universities, public and private research and development laboratories (R and D), Organizations which generate and use technology such as large manufacturing firms, Organizations which use technology embodied in machines and operating practices.

A report on the Kenyan manufacturing sector prepared by the Department of Economics of the University of Nairobi and University of Gothenburg (1993) stated that, in Kenya, progress in production processes within the industrial firms is dependent on importation of technologies. The technologies are in embodied forms, in which case the technologies are in the form of imported machines or in disembodied forms where the technologies are acquired in the form of licensing, consultants or management. The findings of the study on which the report was based indicate that most of the equipment used by manufacturing firms is imported and installed in the plants without any modifications. Ideas on the management of technology by firms and nations have been suggested by a number of specialists. Tiffin (1994) identified the following three stages: technological transfer, technological innovation and technical entrepreneurship. During the technological transfer stage, hardware, software

and liveware are provided to firms which need both the machines and knowledge to produce goods.

Governments, on the other hand, should focus on technological diffusion so that the maximum numbers of firms get access to the technology.

The second stage, technological innovation, occurs when firms start to produce their own technology. Tiffin (1994) states that technological innovation usually requires joint efforts of firms, public (R&D) laboratories and universities. The last stage, technical entrepreneurship, takes place when firms integrate technological innovations with other components of the business to produce the desired goods and services. Aduda and Kaane (1999) have also suggested similar ideas as Tiffin (1994) with regard to micro and small enterprises in Kenya. Their ideas for managing technology are encapsulated in the following steps: Promotion of acquisition of appropriate technologies by firms for the production of consumer goods, systematic reduction of embodied technologies in favour of disembodied technologies, development of national capacity for tooling, designing and industrial engineering, development of national capacity for production of software for controlling production processes. Van den Ban and Hawkins (1996) have provided a description and explanation on how users come in contact with and adopt a new technology. They have identified five stages in the adoption process that is awareness, interest, evaluation, trial and adoption; and five adopter categories are - innovators, early adopters, early majority, late majority and laggards.

The theories behind adoption of innovations continue to attract research interest because of the impact of technology on production techniques, production environment, and product quality. Rogers and Beal (1960) originally came up with a process which had the following stages: awareness, information, application, trial, adoption. There is some convergence in this process with the one suggested by Van den Ban and Hawkins (1996). Both processes begin with the user becoming aware of the new technology. The next stage is when the user decides either to ignore the technology or show interest and seek more information about the technology. The third stage is where there is a little divergence. According to Van den Ban and Hawkins (1996), at this stage the user examines the information on the technology before deciding to try it on a limited scale. Beal and Rogers (1960), however, refer to it as the application stage. The client uses information to design a product for production on a small scale. The last two stages, trial and adoption are similar and the user tries the innovation on a limited scale before engaging in large scale production. Recent research has shown that

adoption of an innovation is not as simple as represented by the five stages (Van den Ban and Hawkins, 1996) and also does not always follow the described sequences.

First, the technology can be rejected along the sequence depending on the user's situation. Second, after adoption of a technology, users will seek more information, and even seek training or expert advice before they become comfortable with the technology. Agencies which deploy extension services therefore need to pay sufficient attention to post-adoption requirements of their clients. Bell and Pavitt (1993) and Tiffin (1994) emphasize the post-adoption processes in their work. Beal and Rogers (1960), Van den Ban and Hawkins (1996) have identified five adopter categories. The researchers found that when producers come in contact with a new technology only a small number of them will initially adopt the technology. These people, usually referred to as "innovators," tend to be well educated and well endowed with resources and, thus, can take the risks associated with new technology. Those producers whose educational background may be limited, but have large amounts of resources at their disposal can hire specialists, and thus enhance their capacity for absorbing new technology. After the "innovators" have adopted a new technology, a much larger group of producers will adopt the technology after observing the benefits of the innovation. These are usually producers who are well endowed with resources and well educated but are not willing to take risks as readily as the "innovators." After adoption of the innovation by these producers, who are termed as "early adopters" there usually follows a much faster adoption of the innovation by the bulk of producers who form the "early majority" and "late majority" There usually, however, exists a small group of producers who find it difficult to adopt innovations until it dawns on them that they are being left behind by other producers. These producers, referred to as "laggards," are usually poorly educated and have limited resources and normally find it easy to accept ideas from people they know well and trust.

2.4.4 Communication skills and Performance of Jua Kali

With an increasingly competitive business environment, small firms such as jua kali must foster a work environment that enhances human resource effectiveness in ways that build adequate communication satisfaction levels among their clients or customers. Based on available research done with larger firms (Jain, 1973; Pincus, 1986; Clampitt & Downs, 1993), these factors include co-worker, employee, and supervisory communication; media quality; communication climate; organizational information, corporate information, and personal feedback. One bright prospect is that the ongoing technological revolution has

brought affordable communication systems to small businesses and made them more competitive with larger firms. For this reason, futurists such as John Naisbitt now predict that smaller firms will control the world economy in the twenty-first century because they will have competitive communication systems, and because of their smaller size, can better personalize customer service (Pospisil, 1994). Kaplan, Johnson, Pearce & George (1997) found, however, that small firms are slow to adopt new communication systems; and if this is true, small firm owners and managers will need to alter that critical behavior to assume a leadership mantle.

Communication is not just important to an organization, but is an important component in everyday human life. Gamble and Gamble (1999) stated: "Communication is the core of our humanness", and that "how we communicate with each other shapes our lives and our world" Communicative skills help humans to reach out to one another or to confront events that challenge our flexibility, integrity, expressiveness and critical thinking skills (Gamble and Gamble, 1999). The practice of effective communication within the organization is also linked with the development of a healthy corporate culture, job satisfaction of employees, and the happiness and productivity of employees (Harris, 1993). Communication skills are also important to organization leaders because it helps them manage the company more effectively (Harris, 1993). Companies recognize the importance of communication and that is why it is a barometer in hiring or measuring employee performance. Warner (1995) found that companies want their employees to maintain confidentiality, write persuasively, write routine letters, use proper placement and format, compose at the keyboard, and write special types of letters. Furthermore, interpersonal and oral skills were rated as very important. Also, basic English as well as abilities dealing with ethics, morals, values, and sensitivity were rated either important or very important (Waner, 1995)

Communication is important in business because a business environment is a place where many interactions are needed, and much information should be acquired (Eckhaus, 1999). It always involves openly competitive activity, in which working professionals debate issues, defend positions, and evaluate the arguments of others (Eckhaus, 1999). Most working professionals, particularly those in middle and upper management, routinely produce a variety of messages, many of which are in the written form of memoranda, electronic mail, letters, reports, performance reviews, instructions, procedures, and proposals (Eckhaus, 1999). It is also argued that a fuller understanding of organizations is a vital ingredient at

every forward step of the career process, and that communication is a primary element for understanding how organizations function and how members of the organization should, even must, behave in organizations if they are to advance their careers (Harris, 1993). More over findings of previous studies indicate that communication ability is one of the relevant competencies for entrepreneurship. This is according to Hood & Young (1993). Onstenk (2003) maintains that an entrepreneur has to be able to persuade and discuss with various stakeholders such as customers, clients, supplier, competitors, service providers and the like. Also the study conducted by Hood & Young (1993) among entrepreneurs and CEOs reported that the ability to communicate both in written form and orally was one of the most frequently mentioned as essential for entrepreneurial success.

2.5 Conceptual framework

This study determined influence of entrepreneurial skills on the performance of jua kali artisans. The independent variables in this study were managerial skills, technical skills, Information technology skills and communication skills. This study measured the effects of the independent variables on the dependent variable which was performance of jua kali artisans.

Independent variables

Dependent variables

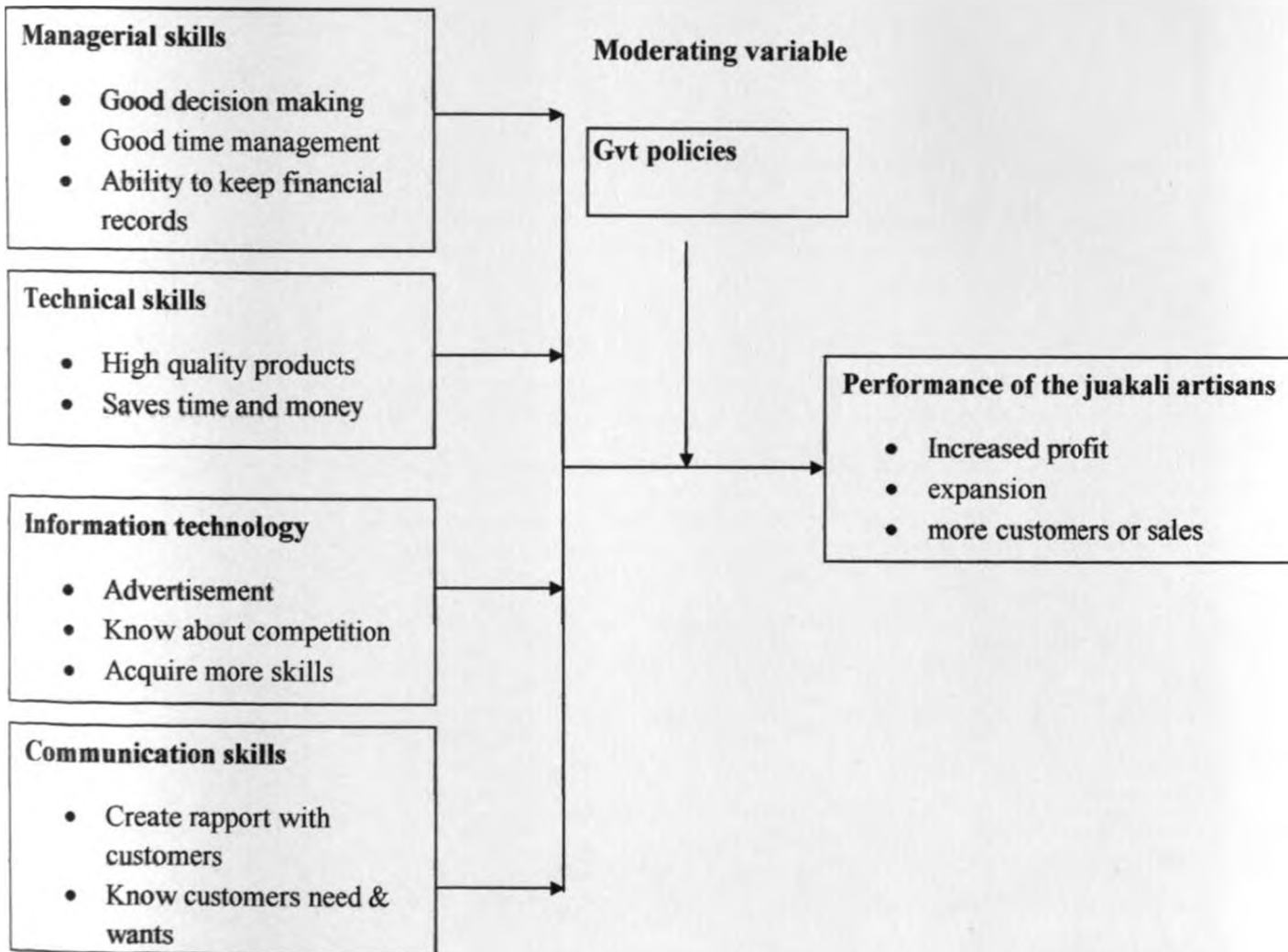


Figure 1 Conceptual Framework

2.6 Summary of Literature Review.

This chapter on literature review has discussed an overview of jua kali sector in Kenya from its inception and the progress the government is doing toward realization of the vision 2030. Also it contains other research studies that have been done by other scholars concerning the jua kali sector and the influence of entrepreneurial skills such as managerial skills, technical skills, IT skills and Communication skills on the performance of jua kali sector

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodologies which was used in the research to determine the influence of entrepreneurial skills on business performance of jua kali artisans in Meru Town. The research methods was discussed under the following subsections; research design, target population, sampling procedure, methods of data collection , Instrument validity and reliability, Operational Definition of Variables and Methods of Data analysis

3.2 Research Design

This research was undertaken by use of correlational design. The reasons for choosing this design is that it is the most appropriate in analyzing the degree of relationship between two variables

3.3 Target population

The target population for the study included jua kali artisans in Meru Town as indicated in the table below. This population was chosen due to its accessibility and proximity to the research. This would be advantageous owing to the researcher's budget and time constraints.

ACTIVITY	MEN	WOMEN	TOTAL
Women's dressmakers	20	34	54
Men's tailors	46	1	47
Women's hairdressers	10	64	74
Wood workers	72	1	73
Car mechanics	53	0	53
Masons, carpenters	50	3	53
Radio & electric. Repair	43	0	43
Leather workers	51	0	51
Refrigeration repair	45	0	45
Metal workers	71	0	71
TOTAL POPULATION	461	103	564

Table 3.1. Number of Population of entrepreneurs, by activity and sex

3.4 Sample size selection and sampling procedure.

A sample is a number of individuals selected from a population for a study in such a way that they represent the large group from which they were selected. It would then be possible to generalize the characteristics of the sample to the population. In order to meet the study's main aim, a stratified simple random sampling was drawn so as to arrive at a sufficiently large number of responses for each of a significant number of relatively common but distinct economic activities, carried out by women and men. The sample therefore, purposely, included a variety of artisan trades and technical services, and excluded wholesale or retail trading activities, which are, no doubt, numerically more important among informal sector enterprises.

3.4.1 Sample size

The sample size was selected using the following formula by Yamane, 1967.

$$N = 564$$

$$\begin{aligned} n &= \frac{N}{1 + Ne^2} \\ &= \frac{564}{1 + 564(0.05)^2} \\ &= 235 \end{aligned}$$

e = is the desired precision

n = sample size

N = population size

Table 3.2: Number of sample entrepreneurs, by activity and sex

ACTIVITY	Men	Women	Total
Women's dressmakers	8	14	22
Men's tailors	19	1	20
Women's hairdressers	4	27	31
Wood workers	29	1	30
Car mechanics	22	0	22
Masons, carpenters	20	2	22
Radio & electric. Repair	18	0	18
Leather workers	21	0	21
Refrigeration repair	19	0	19
Metal workers	30	0	30
Sample size	190	45	235

3.4.2 Sampling procedure

In stratified random sampling the sample consisted of men and women. The sample size was selected such that both men and women were covered by the study. The selection was done by using random numbers to allocate members to each stratum.

3.5 Methods of data collection

In correlational design there are several data collection methods such as interviewing, administering questionnaires and observing people and phenomena. This study will employ both open-ended and closed-ended questionnaires. Data was collected by use of questionnaires so as to get a lot of information from the respondents.

The researcher made a list of the respondents to be interviewed. Before proceeding to the field appointments were made by making telephone calls. Once contact was established the questionnaires was hand delivered. Arrangements were made as to when they would be collected for analysis. Data was collected using well constructed questionnaires. The questionnaires contain structured and unstructured questions designed to measure the objectives of the study. The questionnaires were administered by the researcher and her

assistant to avoid misinterpretation of questions especially where levels of education among the jua kali artisans were varied.

3.6 Instrument Validity

Validity is the accuracy and meaningfulness of inferences which will be based on the research results. It is the degree to which results obtained from the analyses actually represent the phenomenon under study; Mugenda & Mugenda (1999). Validity also refers to degree of accuracy and meaningfulness of inference based on research results. Validation of the data was done using content validity. This measures the degree to which data collected using a particular instrument represent a specific domain of indicators or content of a particular concepts; Mugenda & Mugenda (1991).

The researcher carried out pilot testing for the questionnaire and interviews to try out their validity. This enabled the researcher to conceptualize how big the questionnaires were and how much time would be required to answer the questions. The questionnaire were pre – tested on sampled jua kali artisans in Meru Town through stratified random sampling techniques. According to Mugenda & Mugenda (2003), pre – testing will ensure that the items in the instruments are stated clearly and have the same meaning to all respondents.

3.7 Reliability of the Instruments

According to Orodho (2003) reliability of the instrument concerns the degree to which a particular measuring procedures gives similar results to the consistency of the scores obtained for each individual. To increase the reliability of the data collected the researcher employed test- retest techniques in which the instruments were administered twice to the same subjects. The pilot test of the instruments was done to a sample of jua kali artisans to ensure that the desired data or results are obtained.

3.8. Methods of Data Analysis

Data analysis refers to examining what has been collected and making deductions and inferences. It involves uncovering underlying structures extracting important variables detecting any anomalies and testing any underlying assumptions. Data obtained from the field in raw materials is difficult to interpret. The researcher would have to analyze that data to make sense. The researcher did editing, coding, classification and tabulation. Use of statistical tools in data analysis such as use of measures of central tendency resulted in

reducing large volume of raw data to that which was read easily and used for further analysis. The researcher also used the four levels of measurements scale; nominal, ordinal, interval and ratio.

After data collection we researcher will scrutinized the instrument for completeness accuracy and uniformity. The study will employed both quantitative and qualitative approaches to achieve its objectives. Collected data wsa analyzed using descriptive statistics. This helped to measure the various variables of the study. Coding was done to classify the answer to bring out their essential pattern. The researcher used SPSS to generate frequency distributions using descriptive statistics in order to examine the pattern of the responses. The findings were presented inform of tables, frequencies and percentages so as to bring out the relative differences of values.

3.9 OPERATIONAL DEFINITION OF VARIABLES.

Research objectives	Variable	Indicator	Measurement	Level of scale	Data collected method	Type of analysis	Level of analysis
Influence of entrepreneurial skills on the performance of juakali artisans	Dependent	-No of juakali businesses being started.	-Number of juakali business -No. of assets the each juakali artisan has.	Intervals nominal	- Questionnaire	Qualitative	Correlational
To examine how managerial skills influences performance of juakali artisans	Independent	-Existence of financial records -Plan of activities schedule -Decision making process -Marketing products	No of financial records that are up to date. -How effectively the jua kali artisan manages the finance given by financial institutions.	Nominal Interval	- Questionnaire	Quantitative Qualitative	Correlational
To determine the influence of technical skills on performance of ju kali artisans	Independent	Quality of the product -No of defective products	-No of defects or reworks -No of sales made	-Nominal Interval	- Observation	-Quantitative -Qualitative	Correlational
To establish the influence of IT skills on the performance of the jua kali artisans	Independent	No of computers/laptops or calculators in the business	-Ability to operate the electronics in the business enterprise -Ability of entrepreneur to multi-task. -Mode of advertising the products	-Nominal -Interval	Questionnaires	-Quantitative -Qualitative	Correlational
To determine how communication skills influences performance of jua kali artisans.	Independent	No. of regular customers	-How effectively the jua kali artisan communicates -Retention of customers -Education level of the jua kali artisan	Nominal	- Questionnaires	Qualitative	Correlational

3.10 Summary

This chapter has dealt with the research design which was used. The target population was selected using stratified random sampling and the method of data collection used was self administered questionnaires. The researcher has also given a brief description of the data analyses techniques and methods which was applied.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter entails data analysis, presentation and interpretation of findings. Data is presented by use of frequency tables. The purpose of this chapter is to present the results of the procedures described in the methods of data analysis and present evidence inform of tables, text and figures

4.2 Response Return Rate

Table 4.1 indicates the response rate of the respondents. Out of 235 questionnaires distributed 220 respondents filled and returned the questionnaires representing a response rate of 93.6% which is statistically representative of the target population.

Table 4.1 Response Return Rate

Activity	Frequency questionnaires distributed	Questionnaires returned		Total of questionnaires returned
		men	women	
Women's dressmakers	22	6	13	19
Men's tailors	20	19	1	20
Women's hairdressers	31	4	23	27
Wood workers	30	26	1	27
Car mechanics	22	20	0	20
Masons, carpenters	22	20	2	22
Radio & electric. Repair	19	17	0	17
Leather workers	21	21	0	21
Refrigeration repair	18	18	0	18
Metal workers	30	29	0	29
TOTAL POPULATION	235	180	40	220

4.3 Demographic Characteristics of the Respondents

The study sought to know the demographic characteristics of the respondents such as gender, marital status, Number of dependants and educational level.

4.3.1 Distribution of respondents by Gender

It was necessary to get information on the gender of the respondents so as to establish the percentage of each gender and therefore be able to make an inference from the information collected.

Table 4.2 Gender of the respondents

Gender	frequency	Percentage
Male	180	81.8 %
Female	40	18.2 %
Total	220	100 %

The findings of the research from table 4.2 shows that 81.8% were men who engage in jua kali business compared to women 18.2%. This is a clear indication that men are the major players in the jua kali sector probably because of male chauvinism in Meru Region.

4.3.2 Distribution of respondents by Age

It was also imperative to find out the age of the respondents so as to provide an insight into the area of the study and relate it to the influence on the entrepreneurial skills and the results are indicated in table 4.3

Table 4.3 Age distribution

Age distribution(yrs)	frequency	Percentage
Below 25	7	3.18 %
26-35	70	31.82 %
36-45	99	45.0 %
Over 45	44	20.0 %
Total	220	100%

The research also found that those jua kali artisans whose age was lying between 36-45 yrs were 45% and those between 26-45 years were 31.82 % from table 4.3. This is a clear indication that majority of jua kali artisans are young people. The jua kali artisans aged below 25 years were 3.18 % of the respondents. Those over 45 years of age were 20 %.

4.3.3 Distribution of respondents by marital status

The respondents were asked about their marital status and the results are indicated in figure 4.4

Table 4.4 Marital status

Marital status	frequency	Percentage
Married	181	82.3 %
Separated/divorced	14	6.4 %
Widowed	10	4.5 %
Single	15	6.8 %
Total	220	100 %

The findings of this research from table 4.4 shows that 82.3 % of the respondents were married, 6.4 % were separated/divorced, 4.5% were widowed and 6.8 % were single. This therefore indicates that majority of the respondents were young people with family responsibilities.

4.3.4 Distribution of respondents by family size

The researcher sought to know the family size of the respondents to know if it had an impact on the performance of jua kali artisans and the results are indicated in table 4.5

Table 4.5 Number of dependants

No of dependants	frequency	Percentage
2 and less	78	35.5 %
3-4 persons	84	38.1 %
5-6 persons	35	15.9 %
More than 6 persons	23	10.5 %
Total	220	100 %

The research results from table 4.5 shows that 38.1 % of the respondents had 3-4 dependants and 35.5 % had 2 and less dependants. Those with 5-6 dependants were 15.9 % and those with more than 6 dependants were 10.5 %. The reason why majority of the respondents had fewer dependants is because of the harsh economic conditions and thus they could not cater for their medical, educational and social expenditure

4.3.5 Distribution of respondents by level of education

The researcher found it necessary to seek information on the respondents level of education. This was important so as to establish a relation if any between the jua kali level of education and performance of their businesses and the results are indicated in table 4.6

Table 4.6 Level of education

School level	frequency	Percentage
Upto primary level	24	10.9 %
Upto secondary level	105	47.7 %
college/University level	84	38.2 %
Not gone to school	7	3.2 %
Total	220	100%

Most of jua kali artisans 47.7 % had been educated upto secondary level while those who had gone upto primary level were 10.9 % as indicated in table 4.6. Those with college/University education were 38.2 % while those who had not gone to school were 3.2 %. It can therefore be deduced from the findings that many of jua kali artisans had relevant academic qualification which enabled them run a business. With lack of adequate and relevant education managing and running of a business enterprise becomes wanting.

4.4 Entrepreneurial skills

The study sought to assess the influence of entrepreneurial skills on performance of jua kali artisans on the basis of: Managerial skills, technical skills, IT skills and communication skills.

4.4.1 Managerial skills and performance of jua kali artisans

In order to establish if managerial skills had an impact on performance of jua kali artisans it was imperative to assess managerial skills on the basis of: Number of courses attended on managing the business, consultation when making business decisions, average number of hours, time management and good decision making.

4.4.1.1 Courses on Management of the business.

The respondents were asked how many courses they had attended with regard to managing their businesses and the results are indicated in table 4.7

Table 4.7 Number of courses attended on managing the business

No of courses	frequency	Percentage
None	117	53.2 %
One	71	32.3 %
Two	18	8.2 %
Three	10	4.5 %
Four and above	4	1.7 %
Total	220	100 %

The study revealed that most jua kali artisans 53.2 % had not attended any course on managing the business while 2.3 % had attended one course as indicated in table 4.7. This was due to the fact that most jua kali artisans are usually busy and don't have time and money for seminars and trainings Those who had attended two courses were 8.2 %, those having attended three courses were 4.5 % while those who had attended more than four courses on managing the business were 1.7 %.

4.4.1.2 Consultation when making decisions

The study also sought to know who the respondents consults when they want to make decisions concerning their businesses and the results are shown in table 4.8

Table 4.8 Consultation when you want to make decisions

Consultation	frequency	Percentage
Spouse	70	31.8 %
Relatives	3	1.4 %
Friends	11	5.0%
Nobody	136	61.8 %
Total	220	100 %

From the findings of the research from table 4.8 those who consult their relatives when they want to make decisions about their businesses were 1.4 % whereas those who consult their friends were 5.0 %. Those who consult their spouses were 31.8 % and the rest 61.8 % did not consult anybody and this was attributed by men believing that they are the heads of their families and extended this notion to their businesses.

4.4.1.3 Average number of working hours

The respondents were asked how many hours they spent in their business daily and the results are indicated in table 4.9

Table 4.9 Hours of working

Duration of working hours	frequency	Percentage
Less than 10 hrs	10	4.5 %
11 hrs	57	25.9 %
12 hrs	148	67.3 %
More than 12 hrs	4	2.3 %
Total	220	100 %

The study results from table 4.9 revealed that most jua kali artisans 67.3 % spent 12 hours in their businesses daily while 25.9% spent 11 hours in their businesses.4.5% spent less than 11 hours and 2.3 % spent more than 12 hours. Some of the jua kali artisans could not open for long citing insecurity and this in away affected performance of their businesses.

4.4.1.4 Time management and business performance

The respondents were asked how good time management affected their business performance and the results are indicated in table 4.10

Table 4.10 Effects of Good Time management

Time Management	frequency	Percentage
Increased sales	137	62.3 %
Minimizing errors	53	24.1 %
Customer satisfaction	30	13.6%
Total	220	100 %

62.3% of the respondents said that efficient time management resulted in more sale since it made them plan and this ensure that customers got the products at the right place and at the right time.24.1% of the respondents said that efficient time management helped them minimize error since if you set aside enough time to complete a task you can carefully complete the work and still have time to review your work and correct errors. The rest 13.6% said that it would result to customer satisfaction since you will have time to deal with customer service issues and still have time to plan your schedule for another day and this from table 4.10

4.4.1.5 Right Decision making

The respondents were asked if they made the right decision about their businesses whether it affected their performance and the results are indicated in table 4.11

Table 4.11 Right Decision Making

Right decision making	frequency	Percentage
Yes	172	78.2 %
No	48	21.8 %
Total	220	100 %

The study revealed as shown in table 4.11 shows that 78.2% of the respondents said that making the right decisions would affect their performance since if they made the right decisions this would make their products to be competitive.21.8% of the respondents would not have an effect on their business performance.

Table 4.12 Correlations between Good decision making and Monthly net profit .

		Good decision making	monthly net profit
Good decision making	Pearson Correlation	1	.204(*)
	Sig. (2-tailed)	.	.002
	N	220	220
monthly net profit	Pearson Correlation	.204(*)	1
	Sig. (2-tailed)	.002	.
	N	220	220

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

The findings of this research showed that there is a significant correlation between good decision making and monthly net profit. This was attributed by the fact that he respondents made decisions based on the theory of demand and supply.

4.4.2 Technical skills and performance of jua kali artisans

The technical skills were examined on the basis of: attendance of practical related courses, rating of products recommendation of products and effect of technical knowledge.

4.4.2.1 Attendance of practical related course

The respondents were asked if they had attended any practical related course with regard to the activity they were undertaking in order to establish if it had an impact on business performance and the results are indicated in table 4.13

Table 4.13 Courses attended on practical related skills

No of courses	frequency	Percentage
None	37	16.8 %
One	96	43.6 %
Two	60	27.3 %
Three and above	27	12.3 %
Total	220	100 %

The researcher found that 16.8 % of the respondents had not attended any course related to practical skills while 43.6 % had attended only one course as indicated in table 4.13. This was an indication that the respondents did not put preference for practical related skills because of ignorance and the believe that the skills they had already acquired was enough. Only 12.3 % had attended three or more courses while 27.3 % had attended only two courses.

4.4.2.2 Rating of products

The respondents were asked on how customers rate their product in order to establish the quality of their products and the results are indicated in table 4.14

Table 4.14 Rating of products

Rating of Product	frequency	Percentage
High quality	65	29.5 %
Average quality	124	56.4 %
Low quality	31	27.3 %
Total	220	100 %

The study found out that 56.4 % said that customers rate their product/service as being of average quality while 29.5 % said that customers rate their product/service as being of high quality. The rest 27.3% said that customers rated their products as being of low quality. This clearly shows that jua kali artisans need technical skills to produce high quality products that will be competitive in the market.

4.4.2.3 Recommendation of products.

The respondents were asked if their customers recommended their products or service to their friends or relatives and the results are shown in table 4.15

Table 4.15 Recommendation of the product/service to other customers

Recommendation	frequency	Percentage
Yes	180	81.8 %
No	40	18.2 %
Total	220	100 %

Most of the respondents 81.8 % said that customers would recommend other customers to buy or enjoy service while 18.2 % said that their customers would not recommend others to buy or enjoy their service as shown in table 4.15. The high recommendation was due to the fact that jua kali products are cheaper and are durable compared to manufactured products.

4.4.2.4 Impact of Technical Knowledge

4.4.2.4.1 To understand the importance of technical knowledge on business performance the respondents were asked to state if possession of technical knowledge had an effect on their business performance and their responses are indicated in table 4.16

Table 4.16 Effect of Technical knowledge

Effect of Technical Knowledge	frequency	Percentage
Increased profit	116	52.7 %
High quality products	55	25.0 %
Reduction on reworks	49	22.3 %
Total	220	100 %

4.4.3 IT skills and performance of jua kali artisans.

On the basis of IT skills this was assessed on the basis of: Managing financial records, marketing of products, acquisition of more skills and innovation of products.

4.4.3.1 Managing financial records

The respondents were asked how they kept their financial records so as to establish if it had an impact on business performance and the results are indicated in table 4.17

Table 4.17 Managing financial records

Managing financial records	frequency	Percentage
Computer/Laptop	60	27.3 %
Manual book keeping	130	59.1 %
No record keeping	30	13.6 %
Total	220	100 %

Out of 220 respondents 27.3% said that they managed their financial records by use of a computer or laptop which according to them was faster and easy to store records.59.1% said that managed their financial records manually which is a bit tedious and time consuming as shown in table 4.17. Those who said that they did not keep records were 13.6% which shows that they don't know the importance of book keeping.

4.4.3.2 Marketing of products.

The study sought to know how jua kali artisans market their products and their responses are indicated in table 4.18

Table 4.18 Marketing of Products

Product marketing	frequency	Percentage
Poster/media	34	15.4 %
Display in sheds	150	68.2 %
Hawking	36	16.4%
Total	220	100 %

From the research results as shown in table 4.18 those who market their products through posters or media were 15.4%. These are the people who have embraced the new technology which you

can easily reach many people and get a lot of customers .68.2% just display their products in the sheds and target those customers who passes by.16.4% prefer hawking their products around in the bus stations.

4.4.3.4 Acquisition of more skills

The respondents were asked how they acquired more skills in order to establish if acquiring more skill had any impact on their business performance and their responses are recorded in table 4.19

Table 4.19 Acquisition of more skills

Acquisition of more skills	frequency	Percentage
Internet/Media	43	19.5 %
Apprenticeship	172	78.2 %
don't require more skills	5	2.3%
Total	220	100 %

Majority 78.2% acquired their skills through apprenticeship and this can be attributed to probably the cost involved as most of their apprentices are their relatives and friend. Those who acquired more skills through internet/media were 19.5% and this gave them an opportunity to get a lot of information or materials on the skills they were looking for. Those who said that they didn't need more skills were 2.3%

4.4.3.5 Innovation of products.

The respondents were asked how innovation affected their business performance and their responses are indicated in table 4.20

Table 4.20 Effect of Innovation

Innovation	frequency	Percentage
Product being competitive	102	46.4 %
Rise in counterfeits	47	21.4 %
cost effective	71	32.3%
Total	220	100 %

The findings showed that 102 (46.4%) of the respondents said that innovation would result to the product being competitive which would increase their sales and in the long run increase their profits. Those who said that innovation would result to rise in counterfeit products were 47(21.4%). The rest 71(32.3%) said that innovation would ensure that the cost of buying materials or goods would be significantly reduced.

Table 4.21 Correlations between sales and innovation

		Effect of innovation	More sales
Effect of innovation	Pearson Correlation	1	.653(**)
	Sig. (2-tailed)	.	.000
	N	220	220
More Sales	Pearson Correlation	.653(**)	1
	Sig. (2-tailed)	.000	.
	N	220	220

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

The research as indicated in table 4.21 shows that there is a significant correlation $r=0.653$ between innovation and sales and this according to the respondents was due to customers demanding products that would be able to satisfy their needs and were affordable.

4.4.4 Communication skills and performance of jua kali artisans.

To establish the effect of communication skills on the performance of jua kali artisans this was done on the basis of: Listening to customer's opinion, encouraging employees to listen to customers and treating customers fairly.

4.4.4.1 Listening to Customers Opinion

Respondents were asked if they listened to customers opinion on their products or service and the results are shown in table 4.22

Table 4.22 Listening to Customers Opinion

Listening to customers opinion	frequency	Percentage
Yes	117	53.2 %
No	103	46.8 %
Total	220	100 %

The study as shown in table 4.22 revealed that 53.2% of the respondents said that they listened to their customers opinion since they said that their customers were their 'kings' and their opinions would affect their business sales. The rest 46.8% said that they didn't listen to their customers as most of their opinions were very demanding.

4.4.4.2 Encouraging Employees to listen to customers

On whether employees are encouraged to listen to their customers after they visit their businesses the respondent respondents are indicated in table 4.23

Table 4.23 Encouraging employees to listen to customers

Encouraging employees to listen to customers	frequency	Percentage
Yes	99	45 %
No	121	55 %
Total	220	100 %

The results as shown in table 4.23 shows that 45% of the respondents said that they encouraged their employees to listen to customer's opinion. This as they said allowed their employees to become their ambassadors and this would yield good performance for their business. The rest 55% said that they did not encourage their employees to listen to customers since they said that they would not change much.

4.4.4.3 Treating Customer Fairly

The respondents were asked if they treated customer fairly how it would affect performance of their business and the results are shown in table 4.24

Table 4.24 Treating Customers Fairly

Treating Customer Fairly	frequency	Percentage
Repeat business	97	44.1 %
Knowing customer needs	90	40.9 %
Appreciation by customers	33	15.0 %
Total	220	100 %

The findings of the research from table 4.24 shows that 44.1% of the respondents said that Treating Customers Fairly would result in having repeat business which of course would translate to the business growing on and ensure that more sales are realized. Those who said that Treating Customer Fairly would ensure that you understand customer's needs were 40.9%. Knowing customers needs would help jua kali artisans offer products that would be tailored to meet their needs and this would lead to more profits and in the long run lead to expansion of the business. Those who said that treating customer fairly would result in appreciating them were 15.0 %

Table 4.25 Correlations between Treating Customers Fairly and monthly net profit

		Treating Customer Fairly	monthly net profit
Treating Customer Fairly	Pearson Correlation	1	.026
	Sig. (2-tailed)	.	.696
	N	220	220
monthly net profit	Pearson Correlation	.026	1
	Sig. (2-tailed)	.696	.
	N	220	220

The findings from table 4.25 shows that there is some correlation $r=0.026$ between Treating Customers Fairly and monthly net profit since customers would continue coming back for products due to customized service.

4.5 Business Performance.

4.5.1 Monthly Net Profit

The respondents were told to indicate their business performance in terms of monthly net profit, and monthly sales and the results are indicated in table 4.26

Table 4.26 Monthly Net Profit

Monthly Net Profit (Ksh)	frequency	Percentage
Below 5000	12	5.4%
6,000-10,000	31	14.1 %
11,000-15,000	71	32.3%
15,000 and above	106	48.2%
Total	220	100 %

The study as indicated in table 4.26 found that that many respondents 48.2% were earning above 15,000 as monthly profit indicating that jua kali sector has the potential to drive our economy towards attaining Vision 2030. This was attributed to the limited entrepreneurial skills that the artisans had acquired. 71% of the respondents said that they were earning a profit ranging between 11,000 and 15,000 ksh. Those earning between ksh 6,000 and 10,000 were 14.1%. The rest 5.4% were earning below 5,000. These are the people we can say if they got some training on entrepreneurial skills could make more profits than they are making.

4.5.2 Average Daily Sales

The study sought to find out what the respondents were selling on a daily basis and the results are indicated in table 4.27

Table 4.27 Average Daily Sales

Average Daily Sales	frequency	Percentage
Below 10,000	42	19.1%
10,000-30,000	81	36.8 %
31,000-50,000	64	29.1%
51,000 and above	33	15.0%
Total	220	100 %

The findings of the research indicated that 15.0% of the respondents were making sales of more than ksh 51,000 in a day as shown in table 4.27. This is clear indication that if the respondents had marketing skills many of the jua kali artisans would have made more sales. Those making sales of less than ksh 10,000 were 29.1% while those making sales ranging between ksh 10,000-30,000 were 36.8%. The rest 29.1% were making sales ranging between ksh 31,000-50,000.

4.6 Summary

This chapter has tackled data analysis, gave the interpretation of the findings and presented the findings in frequency tables and charts. The purpose of this chapter was to represent of the procedures described in the methods of data analysis and present evidence inform of tables, text and figures. The data analysis was done on the basis of the study objectives. More over the analysis was done by handling each question in the data collection tool. Descriptive statistics and correlation method was widely used in the analysis of data

CHAPTER FIVE

SUMMARY OF FINDINGS,DISCUSSIONS,CONCLUSIONS AND RECOMMENDATIONS.

5.1 Introduction

This chapter presents the summary of findings conclusions drawn from the analysis and the recommendation of the researcher. The objectives were to examine how managerial skills influence performance of jua kali artisans, assess the influence of technical skills on the performance of jua kali artisans, establish the influence of IT skills on the performance of jua kali artisans and to determine how communication skills influence the performance of jua kali artisans.

5.2 Summary of the findings

5.2.1 Influence of Managerial skills on performance of jua kali artisans

Regarding managerial skills the findings show that most of the respondents had not attended any managerial course and when asked the reason why they had not attended such kind of training some of the respondents said that they didn't have time and also such kind of training would attract some expense. When it came to consultation when decision making said that they didn't consult anybody and this could have an impact on their business performance. The reason given by most of the respondents was that men are the head of the family and they are the one to make family decisions and more so business decisions As concerns efficient time management most of the respondents said that efficient time management resulted in more sales since they were able to deliver their products to customers at the right time and at the right place.

5.2.2 Influence of Technical skills on the Performance of jua kali artisans

The study also revealed that most of the respondents said that customers rate their product/service as being of average quality. This was as a result of the limited technical knowledge the respondents had and thus could not produce high quality products that would be competitive in the market. Further most of the respondents had attended only one course on

practical related skills and this according to the respondents was due the believe that this was enough for them to carry out their business activities.

5.2.3 Influence of IT skills on the Performance of jua akali artisans

As concerns IT skills the study found that many of the respondents said that they managed their financial records manually. When it came to marketing of the products the jua kali artisans most of them just display their products in the sheds and target those customers who pass by. This really limited the number of sales. Further many of jua kali artisans acquired their skills through apprenticeship and this limited their skills since they really depended on the skills of their apprentice. On innovation the findings showed that many of the respondents said that innovation resulted to the product being competitive and this would enable them make more sales.

5.2.4 Influence of Communication skills on the performance of jua kali artisans

The results showed that 55% of the respondents said that they did not encourage their employees to listen to customer's opinion since this could not have much impact on the performance of their business. 97(44.1%) of the jua kali artisans said that Treating Customers Fairly would result in having repeat business which of course would translate to the business growing on and ensure that more sales are realized.

5.3 Discussions

Throughout the study period it was clear that of late the jua kali sector does not suffer so much from a negative public image as it did in earlier years. This is as a result of high unemployment facing many residents and it is encouraging to note that those who are in the sector are making a living. According to the sessional paper No 1 of 1986 the jua kali sector is viewed as a place where the educated youth will seek employment or self employment because the modern sector will not be able to raise enough capital to employ even a fraction of the Kenyan workers.

Most female jua kali artisans in Meru town have a low level of education as compared to their male counterparts and they still seem to have a problem of acquiring formal technical skills. This factor is mainly attributed to male chauvinism in the locality where boys are given preference in schooling. From this study the women seemed to acknowledge their position as remaining disadvantaged because they have never tried new approaches such as radio & electric

repair, metal and leather activities or the car mechanics other than traditional sectors such as women hair dressing and dressmaking. As concerns education and training, it appeared that sample of jua kali artisans were on the whole and relatively speaking well educated. Analysis does suggest however that relatively more successful jua kali artisans had on average more years of education than their not so fortunate counterparts. As Fretwell and Colombano (2000) point out there is a considerable body of research that shows that skills and education have a positive rate of return and are essential to increased earnings and productivity.

On managerial skills the research results confirm that those jua kali artisans who had attended a course on managing the business were more successful compared to their counterparts who had never attended any course. According to Richter & Kemter (2000) having the ability and competency to plan the whole business is an important management skill for business success and this is reflected in this research which shows that those jua kali artisans who managed their time effectively were able to have their customers get their products at the right time and at the right place. Effective leadership in fact refers to management skills. The research found that the jua kali artisans who made the right decisions were successful since would position themselves due to market changes. According to Conger (1999) the business operates in an unstable environment and it therefore changes regularly and forces the entrepreneur to forecast changes and to always prepare your business to meet new changes. Thus to have the requisite management skills are essential for an entrepreneur to lead and not just manage in order to continue to compete and be successful. It is therefore important to note that for one to become a successful entrepreneur you must have the ability to detect and respond quickly to market changes and the appropriate changes in buying habits, having an attractive product range, possess management expertise and create a masterplan for growth.

As concerns technical skills those jua kali artisans who had attended practical related courses had products which were of high quality and this made their products to be recommended to others who came and made them increase their sale which resulted to profits. King & Abuodha (1995) in their study of 100 Kenyan Entrepreneurs in the jua kali sector concluded that a combination of informal and formal sector training is the most effective as a formal sector exposure improves the entrepreneurial and technical capabilities of the entrepreneurs.

The findings of this study has shown that IT plays an integral role in ensuring that small businesses like the jua kali to be successful. Those jua kali artisans who managed their financial records on a computer/laptop said that this method was faster and easy to keep financial records. This therefore gave them time to do other things relating to improving their business performance. With regards to marketing of their products the respondents said that marketing of products had a positive effect on their sales since this would ensure they targeted more customers. In a study covering entrepreneurs in Singapore, Jamaica and United States of America, (Hess, 1997; Herbert, 1898) found that marketing factors such as good service, ability to cater to customers satisfaction, ability to look for market opportunities, advertising and sale promotion are the most critical elements in the success of small businesses.

With an increasingly competitive business environment small firms such as jua kali must foster a work environment that enhances human resource effectiveness in ways that build adequate communication levels among their clients or customers. Majority of the jua kali artisans said that with good communication skills they were able to build rapport with customers which really helped them to understand their needs and wants and this made them design products that would satisfy these needs. This is supported by the study conducted by Hood & Young (1993) among the entrepreneurs which concluded that the ability to communicate both in written form and orally was one of the most frequently mentioned as essential for entrepreneurial success.

5.4 Conclusion

Small businesses have one fundamental flaw that sets them apart from big business, they don't have the funding and the man power to cover all their mistakes, these mistakes can easily be avoided by the induction of management skills. Without the careful use of these skills within small businesses will quickly loose clients which will lead to less revenue which will lead to the failure of the business. Without careful planning and organizing, there can be no overview of products that the small business will be using will be targeted to the right customers.

Technical skills are important in the day to day running of a small business like the jua kali business since these will assist the businessmen to operate the machines or equipments with ease and this will enable them to produce high quality products that will be competitive both locally and internationally.

Nowadays Information Technology is the backbone of all the businesses in the world today. It has made tasks become easier to carry out such as entering and processing information. With IT one is able to advertise his product/service which can result to many sales.

Additional competence could mean additional output and income per jua akli artisan or producing a better product or working more safely or doing new things. The research results leave no doubt that people working in the jua kali were fully aware of the importance of entrepreneurial skills and many respondents were of the view that they would benefit from additional training.

5.5 Recommendations.

1 Market research and product development should be carried out to respond to changing needs and circumstances. Most if not all the jua kali artisans assemble or design the same products over the years without changing or adding new designs. These tendencies make them easily lose markets to products manufactured by big firms that have reduced operational and production costs. The big firms can afford to do research, make better designs and at a cheaper rate.

2. In the Kenya Management Assistance Program the established firms entrepreneurs should occasionally devote at least some of their executive time by sharing experiences with the small jua kali artisans. This can also enable jua kali artisans to adapt to the changing needs and environment.

3. The Govt should come up with training centers for training jua kali artisans on entrepreneurial skills such as managerial skills, technical skills, IT skills and communication skills.

5.6 Areas Suggested for further Studies.

Further research should be done on influence of other entrepreneurial skills such as negotiation skills and personal skills on performance of jua akli artisans since there are many entrepreneurial skills.

5.7 Summary

This chapter has highlighted on the key findings on influence of managerial skills, technical skill, IT skills and communication skills on performance of jua kali artisans. It has also talked

about the discussions of findings in respect to literature review, conclusion, recommendations and areas suggested for further studies.

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APPENDIX I: TRASMITTAL LETTER

LETTER TO RESEARCH PARTICIPANTS

Dear sir/ Madam,

I am Patrick Theuri from University of Nairobi carrying out a study on the influence of entrepreneurial skills on the performance of Jua-kali Artisans.

The research will be submitted for partial fulfillment for the degree of Masters of Arts in Project Planning and Management. I request you to answer the following questions as honestly as possible and this information will be kept completely confidential and anonymous and will not be used for any other purpose apart from the stated research.

Thank you so much for your time and cooperation

Yours faithfully

Patrick Theuri BEIDENGA
M.A PPM - University of Nairobi

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APPENDIX 11: QUESTIONNAIRES TO THE RESPONDENTS

This questionnaire will assist to establish whether entrepreneurial skills has an influence on the business performance of jua kali artisans

INSTRUCTIONS

I am a student of Nairobi University Pursuing a Master degree in Project Planning and Management. This questionnaire attempts to survey the influence of entrepreneurial skills on business performance of jua kali artisans in Kenya. The information given will be treated with total confidentiality and will be used for research purposes only.

Participation in their exercise is voluntary. You are however encouraged to answer all questions. Please complete every item as honestly as possible and make comments where necessary.

Do not write your name anywhere in this questionnaire. Tick in the box next to the right response and fill in the blank spaces accordingly.

SECTION A: RESPONDENTS BASIC INFORMATION

1). What type of activity do you do?

- a) Women dressmakers
- b) Men' tailors
- c) Wood workers
- d) Car mechanics
- e) Mason 's carpenters
- f) Radio &electric repair
- g) Leather workers
- i) Refrigerator repair
- j) Metal workers

2). What is your Gender?

a) Male

b) Female

3). What is your age bracket?

a) Below 25 years

b) b) 26 – 35 yrs

c) c) 36 – 45 yrs

d) d) over 45 yrs

4) What is your marital status?

a) Married

b) Separated / divorce

c) Widowed

d) Single

4). What is the number of people who depend on you?

a) 2 and less

b) 3 – 4

c) 5 – 6

d) More than 6

5). What is your highest level of education?

- a) Up to primary level
- b) Up to secondary level
- c) Up to college or university level
- d) Up to Nursery

SECTION B: MANAGERIAL SKILLS

6. How many courses have you attended in managing the business?

- a. None
- b. One
- c. Two
- d. Three
- e. Four and above

7). Who do you consult when you want to make decisions concerning the business?

- a. Spouse
- b. Relatives
- c. Friends
- d. Consultant firms
- e. Myself

8). Who manages financial records in your business?

- a. Myself
- b. My spouse
- c. My relative
- d. My employee

9). How many hours do you spend in your business daily?

- a. Less than 10 hours
- b. 11 hours
- c. 12 hours
- d. More than 12 hours

10) How does effective time management affect your business performance? Please explain.....

.....

.....

11) Kindly state how making the right decisions affect your business performance.....

.....

.....

SECTION C: TECHNICAL SKILLS

12). How many courses have you attended on practical related skills?

- a. None
- b. One
- c. Two
- d. Three
- e. Four and above

13). How do customers rate your product?

- a. High quality
- b. Average quality
- c. Low quality

14). Do other customers recommend your products to their friends or relatives?

- a. Yes
- b. No

15). In your own opinion state whether you require any further training on technical grounds and why?

.....
.....
.....
.....

16). How does technical knowledge affect your business performance? Kindly explain.....

.....
.....

SECTION D: INFORMATION AND TECHNOLOGY SKILLS

17). How do you manage your financial records?

a. By use of a computer or laptop

b. By reconciling the accounts manually in a book

c. No record keeping

18). How do you market your products?

a. By advertising through media, poster

b. Through display in the sheds

c. Hawking

19) How do you acquire more skills in the activity you do?

a. Internet/Media

b. Apprenticeship

c. Don't require more skills

20) How does innovation affect your business performance? Kindly

explain.....
.....
.....

SECTION E: COMMUNICATION SKILL

21. Do you listen to clients/customers/employees opinion?

a) Yes

b) No

22. Do you encourage your employees to listen to customers?

a) Yes

b) No

23. If your answer to question 23 is yes please explain how you encourage them.....
.....
.....
.....
.....

24. What would be the impact of treating your customers fairly on your business performance?

Please

explain.....
.....
.....
.....

SECTION F: BUSINESS PERFORMANCE

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NAIROBI

26. Do you consider your business successful?

a) Yes

b) No

27. What is the performance of your business in the following areas?

i) Average Daily sales (ksh 000)

a) Below 10

b) 10-30

c) 31-50

d) 51 and above

ii) Monthly Net profit (ksh 000)

a) Below 5

b) 6-10

c) 11-15

d) Above 15