



IMPETUS OF ENTREPRENEURSHIP AND BUSINESS GROWTH OF MICRO AND SMALL ENTERPRISES IN THE FURNITURE MANUFACTURING SECTOR IN KENYA

KIRAGU Margaret Wambui ¹, Dr. MUTISO Josephine ²

^{1,2} Jomo Kenyatta University of Science and Technology

Abstract

The purpose of the study was to establish the key drivers that can propel one to venture into the furniture manufacturing sector and eventually contribute to the growth of MSEs in this sector. This research adopted a research design that was descriptive, and the targeted population was drawn from entrepreneurs operating MSEs in the furniture manufacturing sector within Nairobi County, from which a sample size of respondents was selected. Respondents for this research were identified using random sampling technique. Gathering of data was done using questionnaires; thereafter the data was analysed using descriptive statistics so as to draw conclusions from the findings. The research begun with a pilot survey which helped in identifying the suitability of the questionnaires in terms of the ability to answer the questions provided and whether the questions meet study's overall objective. Any adjustments and recommendations from the pilot survey were integrated to develop the final questionnaire. Data collection process was increased by using research assistants (RAs) who are trained on the use of research analytical tools. The first process involved data coding and later analysis of the data SPSS software and finally data presentation using tables and figures. The study found that an entrepreneur's personal characteristics had a positive impetus to entrepreneurship and growth of MSEs in the furniture manufacturing sector; social characteristics had a positive impetus to entrepreneurship and growth of MSEs in the furniture manufacturing sector, entrepreneurial competencies had a positive impetus to entrepreneurship and growth of MSEs in the furniture manufacturing sector and firm characteristics had a positive impetus to entrepreneurship and growth of MSEs in the furniture manufacturing sector. The study recommends management of SMEs to develop ways of encouraging retention of experience employees; this will contribute towards enhanced organizational performance which is critical for the firm's growth. It is also important to share information with employees and clients within an organization this will enable the company to deal with challenges effectively.

Key Words: Impetus of Entrepreneurship, Entrepreneurship, Personal Characteristics, Social Characteristics, Entrepreneurial Competencies, Firm Specific Characteristics, Furniture Manufacturing Enterprises, Micro, Small and Medium Enterprises, Business Growth, Sales Turnover.

Introduction

Entrepreneurship is mainly about business start-ups and business development. When reviewing any business, we realize that a business can be likened to a human being. Like any human being a business is envisioned and developed in the mind and then born. This business will then develop and attain maturity and can be rendered extinct. There exists a lot of potential in entrepreneurship especially when we consider the current trend where we have many individuals in society choosing to be entrepreneurs. In addition, entrepreneurship is also endorsed by learning institutions, government bodies, society and corporations. In most developing countries we see the government taking a keen interest in fostering the development of entrepreneurship.

The government is keen to support and encourage individuals and groups willing to start new businesses through the various existing support bodies. The formation and promotion of MSMEs is a fundamental ingredient in generating a vibrant market in the economic and social advancement of evolving countries. Entrepreneurs are the major players of economic growth, innovation, regional development and job creation. Countries with a robust SME sector are able to increase the standards of living by reducing the levels of poverty for its people. Regardless of the internationally acknowledged importance of MSMEs, the growth of these MSMEs in many developing countries is still hindered due to the many challenges they face. To date and for many years rural businesses have not succeeded in expanding beyond their micro enterprise level and occasionally at best their SME level (Pandya, 2012). According to Kusi, Opata and Narh (2015) this hindrance to growth is attributed to the fact that MSMEs face various limitations resulting from the complications of accounting for large fixed costs, Lack of economies of scale and capacity in key factors of production, high unit costs, poor cash flow.

Gloabally the furniture subsector is characterized by an entity that is dynamic and labour intensive and, in most cases, it's dominated by MSEs. For instance, European Union furniture manufactures have a good reputation globally due to their capacity to innovate new designs in an effort to respond to new demands in the market. The furniture subsector is able to integrate new innovations and technologies with the cultural customs and style and as a result providing jobs for highly skilled workers. According to Center For Industrial studies (2014), the MSE subsector hires approximately 1 million workers in 130 thousand firms which produce an annual turnover of around 96 Billion. Furniture manufacturing MSEs in the EU also face a couple of challenges that has resulted in a major drop in the total number of firms, these include competition from other furniture exporters, lack of enough finances by the SMEs to boost research and innovation which is critical for the firm's growth. Structural problems due to difficulties in attracting young workers, the ageing work force are difficult to maintain, and this may lead to disruptions in the industry.

The global furniture output totals to US \$ 480 billion and the total global furniture sales stand at US\$ 140 billion. The industry has recorded an increase in furniture production over the years with an exception of two years, 2008 and 2009. In the year 2010 middle- and low-income countries contributed over half of the total world furniture productions standing at 53 percent. Out of the total world furniture output, Africa accounts for 2.2 percent and out of the total

furniture sales Africa accounts for 2.8 percent with net earnings of US\$ 2.5 billion. In Africa the demand for furniture products is driven by urbanization and increased purchasing power. Kenya is the largest furniture producer in East Africa; the region's furniture market is valued at US\$ 1.2 billion. East Africa's furniture sale stands at US\$ 298 million.

According to MIED, (2015) World Bank report Kenya's sales from furniture stood at US\$ 496 million in 2013 with 10 percent Compound Annual Growth Rate (CAGR) for the past five years. The Kenyan market is recording significant growth in furniture imports, for instance from 2009 to 2013 furniture imports recorded a CAGR of 24 percent. The same growth is not reflected in furniture exports which are growing slowly at CAGR of 10 percent. If the local industry does not receive a significant push that will aid in the expansion of the industry, then the appetite for furniture in market will be met by imports. In Kenya the furniture subsector employs a total of 125,000 people, 10 percent of this population is in the formal sector. The furniture subsector is expanding significantly with the formal sector recording a CAGR of 8 percent and the informal sector (Jua Kali) recording a CAGR of 10 percent. In Kenya furniture firms in the formal sector account for 190 SME's and large firms, with most of them being clustered in urban regional hubs in Nairobi, the Coast and Eastern Region (KNBS, 2014).

The impetus of entrepreneurship that contributes significantly in determining whether an individual will venture into a business and promote the growth of the firm can be categorized as personal characteristics and entrepreneurial orientation. According to (Islam et al., 2011), the personal characteristics that influence the performance of a firm include self-confidence, perseverance and desire to be independent and drive to achieve. A firm's entrepreneurial orientation will comprise of autonomy, level of innovativeness, risk taking propensity, aggressiveness and competitiveness on the other hand entrepreneurial readiness refers to the belief in oneself to perform a given task.

According to Rauf, (2012), to achieve of better business growth the entrepreneur needs to use the organizations resources efficiently and effectively in order to attain sustainable competitive advantage. Essentially, enhanced business growth requires an entrepreneur to make strategic choices and ensure that the chosen strategy is effectively implemented. Such implementation requires that the strategy is operationalized and appropriately institutionalized (Machuki *et al.*, 2012). This logical thinking supports existence of a link between the entrepreneur's personal characteristics, social characteristics, entrepreneurial competencies and the firm specific characteristics that fuel business growth of MSES that require further investigation.

Statement of the Problem

In Kenya, 3 out of 5 business start-ups fail within the first few months of operation, in addition those businesses that survive, 80% are reported to fail before the fifth year of operation this is according to a report by Kenya Bureau of Statistics (2017). Failure of this business impacts the National GDP and it also contributes greatly to the rise of unemployment in the country.

Business growth of MSEs specialized in furniture manufacturing is hindered by the increased appetite for imported furniture mainly sourced from China and Malaysia. This import constitutes 13 percent of the total domestic furniture sales. Imported furniture competes directly with Kenya's formal furniture manufacturers as they use the same distribution

networks to sell their commodities. Imported furniture is also cannibalizing on the Jua Kali market share, imports are price competitive, and their product assortment is evolving rapidly and so is the quality, this has affected the overall performance of MSEs in the furniture industry (MIED,2015).

MSEs in the furniture sector contribute greatly to the country's GDP hence their survival is critical to the country's economy. According to Kenya Bureau of statistics report (2016), MSMEs contributed an estimated Kshs 3,371.7 billion against Kshs 9,971.4 billion national output in 2015. The gross value added by MSEs is estimated at Kshs 1,780 billion compared to the whole economy which contributed Kshs 5,668.2 billion. Past empirical studies conducted to establish some of the factors affecting the survival of MSME in the furniture sector in Kenya, no study has been done to establish the impetus of entrepreneurship and business growth of MSEs in the furniture sector in Kenya. Hence based on this gap and unresolved issues in the past studies, this study aims to examine impetus of entrepreneurship on the business growth of MSEs in the furniture manufacturing sector in Kenya.

Objective of the Study

The main objective of this research was to ascertain the impetus of entrepreneurship and business growth of MSEs in the furniture sector in Kenya.

Specific Objectives

1. To determine how an entrepreneur's personal characteristic, relate to business growth of MSE's in the furniture manufacturing sector in Kenya.
2. To determine to what extent social characteristics, relate to business growth of MSEs in the furniture manufacturing sector in Kenya.
3. To determine how entrepreneurial competencies, relate to business growth of MSEs in the furniture manufacturing sector in Kenya.
4. To determine to what extent firm-specific characteristics, relate to business growth of MSEs in the furniture Manufacturing sector in Kenya.

Theoretical Literature

Kirzenian Theory of Entrepreneurship

Kirzner's (1977) theory of entrepreneurship alertness (discovery theory) involves understanding how individuals generate profits dependent on their capacity of knowledge and identification of gaps in information existing due to diversities in knowledge base of individuals in an industry. Opportunities are seen to originate from external factors that disrupt market equilibrium status. The theory portrays opportunities as ever present and that they only require to be identified by individuals who are aware about them since they emanate from disruptions in the market equilibrium because of poor decision-making frameworks (Alvarez and Barney, 2007). The incapacity of people to process information from the external world, their limitedness towards obtaining efficiency, leads them to taking shortcuts by employing limited information levels or depending on recent stories of success.

Social Theory

According to Coleman (1998), Social theories are frameworks of empirical evidence used to study and interpret social phenomena. It encompasses ideas about how societies and communities change and develop methods by interacting, share power and the social structure, gender, ethnicity and civilization. This theory takes precedence over other natures of social life, class, social institutions and transmission (Murphy, 2012). Some new and small firms are established and owned by more than one individual. The reasoning behind this is that firms with larger teams are more likely to have access to resource and knowledge relevant to social capital compared to firms with smaller teams. Taking into consideration that physical capital alludes to physical entities and human capital insinuates to properties acquired by individuals, social capital is termed as linkages amongst personalities-social networks and tendency relating to reciprocity and truthfulness that come along with them.

Resource Based View

The resource-based view argues that sustained competitive advantage is generated by the unique bundle of resources at the core of the firm (Barney, 1991; Conner & Prahalad, 1996). The theory describes how entrepreneurs build businesses from the resources and capabilities available (Dollinger, 1999). Implicit in the RBV is the centrality of the venture's capabilities in explaining the firm's performance. Resources are important antecedents to products and ultimately to performance (Wernerfelt, 1984). Firms can achieve sustainable competitive advantage from resources such as strategic planning (Michalisin et al., 1997), management skills (Castanias & Helft, 1991), tacit knowledge (Polanyi, 1966), capital, and employment of skilled personnel (Wernerfelt, 1984). The assets and resource owned by firms may explain the differences in their performance (Barney, 1991; Peteraf, 1993). This study advanced that sustainable competitive advantage could be achieved by availability of strategically relevant resources and capabilities embedded in entrepreneurs and employees inform of knowledge, skills and experience, and strategic planning.

Institutional Theory

Scott (2014) asserts that institutional theory is about the in-depth and more resilient features of social organization. This looks at the manner in which structures that includes, routines, norms regulations, schemas, become well known as authoritative guidelines for social behavior. It seeks to look into how these essentials are shaped, dispersed, adopted, and adapted with time; and how they collapse and are neglected. Hence, the significance of cultural systems or beliefs is clear: they make available a set of meaning required to interpret actions. This study considered how institutions like management, government regulations, and family influence the performance of SME's in the furniture subsector in Nairobi County, Kenya.

Conceptual Framework

Impetus of Entrepreneurship

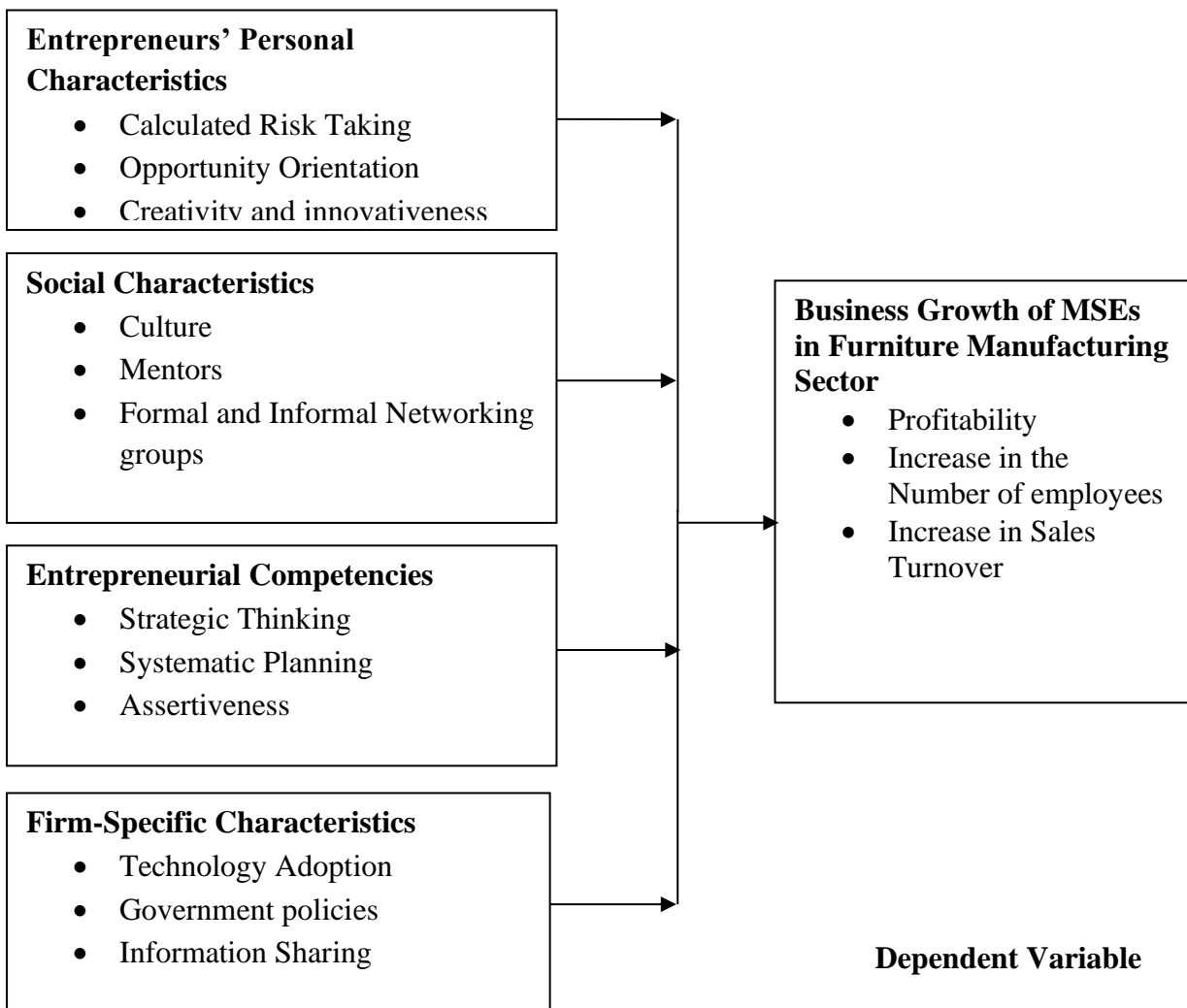


Figure 1: Conceptual Framework

Entrepreneurs Personal Characteristics

Miao (2015), in his research investigated entrepreneurial drivers and personal characteristics that act as a go between the role played by entrepreneurial self-efficiency and the need for cognition. The personal trait of an entrepreneur plays a valuable role in entrepreneurship. An entrepreneur's ability to take calculated risks, recognition of existing business opportunities, creativity and innovativeness and experience acquired while in business are some of the personality characteristics that play a significant role in predicting whether an individual will venture into a business. These personality characteristics play a great role in creating a positive impact in the performance of a business. Scholars in their studies have found that most personality characteristics are generic in nature and they have played a major role to the success or collapse of many businesses. In many cases entrepreneurs' personal characteristics have been used to predict the probability of a business being successful, a business collapsing and new venture creation

Social Characteristics

According to Taneja and Toombs (2014), the availability of networking groups allows small businesses to engage in marketing within the established connections and this is a form of social capital which provides an opening to entrepreneurs to connect be marketing and it can be part of social capital to provide opportunities to join various firms hence enhancing closeness in business relations. Networking is a helpful way for SME owner/managers to expand marketing expertise and improve their performance. As such, networking in form of clusters, strategic alliances and business collaborations has become popular among the SMEs as a competitive tool (Turyakira & Mbidde, 2015). According to Watson (2007), networking appears to be significantly positively associated with business's survival; and both formal and informal networks are associated with SME survival, but only formal networks are associated with growth.

Entrepreneurial Competencies

Marivate (2014) in Tshwane, South Africa conducted a study on impact of entrepreneurial competencies on the viability and long-term survival of SMEs. The study hypothesizes that entrepreneurial competencies are needed for implementing strategic decisions that lead to long-term survival of SMEs. This concurs with the empirical analysis of the factors that affect the survival of SMEs in South Africa through a study conducted by (Worku, 2013). The study found out that the SMEs were viable and adversely affected by lack of entrepreneurial competencies. Conclusions from the study was that SMEs that were ran by operators with adequate entrepreneurial competencies and skills had relatively larger probability of survival in comparison to SMEs that were ran by operators with inadequate entrepreneurial competencies and skills. Management skills were found to be necessary in the running of the SME's and the viability of SMEs depends mainly on how the entrepreneurs run his business. Management skills required for the successful running of a business included good planning and organizing skills, leadership skills, coordinating skills and effective monitoring and control of the business have significant influence on SMEs survival.

Firm-Specific Characteristics

According to Machuki et al., (2012) the firm attributes are the firm-specific attributes in an institutions' internal environment, and they elaborate on the context in which decisions are strategically formulated and deployed. The firm level traits may be stratified into two dimensions; administrative based firm level, and resource based firm level. The administrative based firm level includes structural component, style of management, controls put in place internally, systems, and procedures, while resource-based ones include financial resources, skills and competencies, knowledge base, culture, and human resources. The outcome of the research made a conclusion that there was need for institutions to stimulate their capabilities through requisite staff recruitment guidelines and staff development to improve manifestation of required firm level institutions.

Research Methodology

The descriptive research includes case study, survey and correlation designs Lewis, Saunders and Thornhill (2016). This study coded a population comprising of 12,248 MSE's registered under the workshop services MSE category in Nairobi County dealing with furniture manufacturing. The respondents selected for this study were the owners, managers and chairmen of the MSEs. The sampling frame was a list of MSEs in the furniture manufacturing sector licensed to operate within Nairobi County. Simple random sampling technique was employed to select 387 respondents using krejcie and morgan (1970) formula.

The main data collection instruments were questionnaires containing both open ended and close ended questions. Before deploying the questionnaires, pilot-test was conducted with the assistance of research assistants. Pretesting involved 50 respondents accounting to approximately ten out of a hundred of elements in the total sample. The study used quantitative and qualitative analysis to interpret the data collected. The data from the completed questionnaires were recorded. It was then entered in a computer using descriptive statistics. The approach from descriptive statistics was adopted for analysing and outlining the data. SPSS was used to produce descriptive and inferential statistics which were used to derive conclusions and generalizations regarding the population. The particular descriptive statistics were mean scores and standard deviation. The particular inferential statistics were regression and correlation analysis. The analysis of variance (ANOVA) was also checked to reveal the overall model significance.

Results and Discussion

The inquiry targeted 387 MSEs and specifically furniture manufacturing sector in Nairobi County. All selected respondents were issued with questionnaires for data collection, but only 335 questionnaires were returned having been dully filled. The response rate was 86.6%.

Descriptive Analysis

In this section, respondents were required to tick their level of agreement with varying statements relating to outlined aspects of impetus of entrepreneurship. They were asked to use the scale; Strongly Agree (SA)=5, Agree(A)=4, Neutral(N)= 3, Disagree(D)=2 and strongly disagree (SD)=1.

Entrepreneurs Personal Characteristics

Respondents gave their level of agreement with statements relating with an entrepreneur's personal characteristics. From the findings on calculated risk taking, the respondents were in agreement that having risk management controls in the business has helped the firm mitigate risk (M=3.982, SD=1.370); and taking time to make decisions that affect the long-term performance of the firm has proved beneficial to the success of the firm (M=3.777, SD=1.275). Regarding opportunity orientation, the respondents were in agreement that to remain competitive in the business, an entrepreneur has to take advantage of a known supply and look for unidentified demand (M=3.889, SD=1.381), and as an entrepreneur the ability to see opportunities in information where others see hurdles is important for the success of the business (M=3.738, SD=1.320). On creativity and innovation, respondents agreed that products

and business ideas developed out of the entrepreneur's instincts have contributed to the success of the business ($M=3.948$, $SD=1.2630$), and for a business to remain competitive, it is recommended that a review of the services and products be done in order to develop new products or services that respond to the consumer and market needs ($M=3.698$, $SD=1.331$). The findings were as presented in Table 1.

Table 1: Entrepreneurs Personal Characteristics and Business Growth

Statements	Mean	Std. Dev.
Having risk management controls in the business has helped the firm mitigate risk.	3.982	1.370
Taking time to make decisions that affect the long-term performance of the firm has proved beneficial to the success of the firm.	3.777	1.275
To remain competitive in the business, an entrepreneur has to take advantage of a known supply and look for unidentified demand.	3.889	1.381
As an entrepreneur the ability to see opportunities in information where others see hurdles is important for the success of the business	3.738	1.320
For a business to remain competitive, it is recommended that a review of the services and products be done in order to develop new products or services that respond to the consumer and market needs.	3.698	1.331
Products and business ideas developed out of the entrepreneur's instincts have contributed to the success of the business.	3.948	1.263
Mean	3.838	1.323

Social Characteristics

Respondents gave their level of agreement with statements relating to social characteristics and business growth of MSEs Regarding culture, there was universal agreement by respondents that they ascribe the accomplishment of the venture to the ties they have closely linked with their culture ($M=3.863$, $SD=1.326$) and that substantial information an entrepreneur possesses that relate to ventures is dependent on position assumed within the cultural social network ($M=3.836$, $SD=1.220$). The study also found that on availability of mentors, respondents agreed that some business ideas originate from interactions with mentors who have previous knowledge of the customers and the market ($M=3.961$, $SD=1.476$), and that before an entrepreneur makes a decision that will affect the long-term performance of the business, it's important to seek advice from mentors ($M=3.915$, $SD=1.343$). The study also established that on that being a part of formal or informal networking groups, respondents agreed that social and business networks enable entrepreneurs to get information that would have been otherwise out of reach ($M=3.994$, $SD=1.476$) and that social and business networks will assist the entrepreneur acquire assets required for the business to operate ($M=3.856$, $SD=1.525$). The findings were as presented in Table 2 below.

Table 2: Social Characteristics and Business Growth

Statements	Mean	Std. Dev.
Can you attribute the success of the business to the ties you have that are associated with your culture?	3.863	1.326
Most of the information an entrepreneur has relating to the business is dependent on the position he holds within the cultural social network.	3.836	1.220
Before an entrepreneur makes a decision that will affect the long-term performance of the business, it's important to seek advice from mentors.	3.915	1.343
Some business ideas originate from interactions with mentors who have previous knowledge of the customers and the market.	3.961	1.476
Social and business networks will assist the entrepreneur acquire assets required for the business to operate.	3.856	1.525
Social and business networks enable entrepreneurs to get information that would have been otherwise out of reach.	3.994	1.476
Mean	3.904	1.394

Entrepreneurial Competencies

Respondents ticked the degree to which they were in agreement with statements posed relating to Entrepreneurial Competencies and performance. Regarding strategic planning, the study found that the respondents were in agreement that the business operates on a clearly defined business plan in order to achieve the desired goals (M=3.955, SD=1.546) and most products launched after conducting a market research have been successful in the market (M=3.836, SD=1.426). On systematic planning, the findings established that the respondents agreed that before venturing into any new product line as an entrepreneur, it's important to have a project plan that defines the roll out (M=3.994, SD=1.343); and monitoring and evaluation is considered important for the business to succeed (M=3.830, SD=1.441). The findings further established that regarding assertiveness, the respondents agreed that having a team that is aligned to the business strategy is key for success (M=3.988, SD=1.475), and that conducting a performance review on the employees is important so as to ensure one maintains a team that is focused on achieving the firm's goals (M=3.961, SD=1.674). The outcome of the scrutiny was as presented in Table 3.

Table 3: Entrepreneurial Competencies and Business Growth

Statement	Mean	Std. Dev.
The business operates on a clearly defined business plan in order to achieve the desired goals	3.955	1.546
Most products launched after conducting a market research have been successful in the market	3.836	1.426
Before venturing into any new product line as an entrepreneur, it's important to have a project plan that defines the roll out.	3.994	1.343
Monitoring and evaluation are considered important for the business to succeed	3.830	1.441
Having a team that is aligned to the business strategy is key for success	3.988	1.475
Conducting a performance review on the employees is important so as to ensure one maintains a team that is focused on achieving the firm's goals.	3.961	1.674
Mean	3.927	1.484

Firm-Specific Characteristics

Respondents articulated degree of their agreement with statements associating to firm specific characteristics and business growth of MSEs in the furniture sector in Kenya. On technology adoption, the study found that respondents agreed that introduction of digital marketing e.g. face book and Instagram and new methods of payment like Mpesa has improved sales (M=3.902, SD=1.235), and that use of technologically advanced equipment has greatly improved sales in the firm (M=3.817, SD=1.142). Regarding government policies, respondents were in agreement that the government has made it easy for entrepreneurs to access skills like management skills, peer to peer network forums by coordinating trainings for the business owners (M=3.975, SD=1.169), and that the current government policies support development of MSMEs in the furniture sub sector by making it easy for the firm to survive and perform (M=3.764, SD=1.168). The findings further showed that regarding information sharing the respondents were in agreement that sharing critical information about the business e.g. the debtors and creditors position, with employees has enabled the firm overcome challenges (M=3.902, SD=1.235), and that retaining experienced and loyal staff in the firm has improved on the performance of the business (M=3.830, SD=1.300). The outcome was tabulated in Table 4.

Table 4: Firm-Specific Characteristics and Business Growth

Statements	Mean	Std. Dev.
Use of technologically advanced equipment has greatly improved sales in the firm	3.817	1.142
Introduction of Digital marketing e.g. Face book and Instagram and new methods of payment like Mpesa has improved sales.	3.902	1.235
The current government policies support development of MSE's in the Furniture manufacturing sector by making it easy for the firm to survive and perform.	3.764	1.168
The government has made it easy for entrepreneurs to access skills like management skills, peer to peer network forums by coordinating trainings for the business owners.	3.975	1.169
Sharing critical information about the business e.g. the debtors and creditors position, with employees has enabled the firm overcome challenges	3.902	1.235
Retaining experienced and loyal staff in the firm has improved on the performance of the business	3.830	1.300
Mean	3.865	1.208

Business Growth of MSEs in Furniture Manufacturing

Respondents articulated the degree to which they were in tandem with statements that related to performance of MSE's in the Furniture Industry. Data was obtained from the financial records maintained by MSEs and interpreted using the Likert scale. From the findings, the respondents were in agreement that sales turnover is affected by impetus of entrepreneurship (M=3.961, SD=1.149); the net worth levels of SMEs are affected by impetus of entrepreneurship (M=3.955, SD=1.199); profit has increased assets in the firm (M=3.902,

SD=1.345); profitability levels increased in business (M=3.836, SD=1.207); and the firm has recorded a drop in staff turnover (M=3.836, SD=1.234). The outcomes of the analysis were as presented in Table 5.

Table 5: Business Growth of MSEs in Furniture Manufacturing

	Mean	Std. Dev.
Sales turnover is affected by impetus of entrepreneurship.	3.961	1.149
The net worth levels of MSEs are affected by impetus of entrepreneurship.	3.955	1.199
Profit has increased assets in the firm.	3.902	1.345
Profitability levels increased in business.	3.836	1.207
The firm has recorded a drop-in staff turnover.	3.836	1.234
Mean	3.898	1.227

Correlation Analysis

The researcher performed correlation analysis to scrutinize the strength and direction of the associations amongst the dependent and the independent variables. From the findings presented in table 6, entrepreneurs personal characteristics had a strong positive linkage with business growth of MSEs in the furniture manufacturing sector ($r=0.605$, $p=0.006$); this relationship was significant since p value (0.006) was less than the selected level of significance (0.05). Social characteristics was also found to have a strong positive linkage with business growth of MSEs in the furniture manufacturing sector ($r=0.704$, $p=0.002$); since p-value is less than 0.05, the relationship between the two variables was significant. The findings also show that entrepreneurial competencies had a strong positive relationship with business growth of MSEs in the furniture manufacturing sector ($r=0.699$, $p=0.003$); the relationship between the two variables was significant since the p-value (0.003) was less than the selected level of significance (0.05). Finally, the findings showed that firm-specific characteristics had a strong positive relationship with business growth of MSEs in the furniture manufacturing sector ($r=0.514$, $p=0.015$); since the p-value (0.015) is less than selected level of significance (0.05), the variables were considered to be significantly related. These findings therefore suggest that entrepreneurs' personal characteristics, social characteristics, entrepreneurial competencies and firm-specific characteristics relate with business growth of MSEs in the furniture manufacturing.

Table 6: Correlations

		Business Growth	Personal Characteristics	Social Characteristics	Entrepreneurial Competencies	Firm-specific Characteristics
Business Growth	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	335				
Entrepreneurs Personal Characteristics	Pearson Correlation	.605**	1			
	Sig. (2-tailed)	.006				
	N	335	335			
Social Characteristics	Pearson Correlation	.704**	.031	1		
	Sig. (2-tailed)	.002	.568			
	N	335	335	335		
Entrepreneurial Competencies	Pearson Correlation	.699**	.003	.042	1	
	Sig. (2-tailed)	.003	.962	.445		
	N	335	335	335	335	
Firm-specific Characteristics	Pearson Correlation	.514**	.233	.051	.093	1
	Sig. (2-tailed)	.015	.070	.348	.091	
	N	335	335	335	335	335

Overall Regression Output

The study computed multiple regression analysis to establish relationship between the dependent and the independent variables.

R-Square Estimate

R- square estimate is used to show the amount of variation in the dependent variable that can be explained by changes in the independent variable. From the findings, the value of adjusted R^2 was 0.698; this implies that 69.8% variation in business growth of MSEs in the furniture manufacturing sector can be attributed to variances in entrepreneur's personal characteristics, social characteristic, entrepreneurial competencies and firm-specific characteristics. The remaining 30.2% suggest that other than the discussed factors, there are other factors that can be attributed to variations in business growth of MSEs in the furniture manufacturing sector. The findings further suggest that the variables being investigated in the study are strongly related as indicated by a correlation coefficient value (R) of 0.838.

Analysis of Variance

ANOVA is used to test the overall model significance. The significance of the model was tested at 95% confidence interval and 5% significance level. From the findings, the significance level of the model was 0.001 an indication that the model was significant since the p-value (0.001) was less than the selected level of significance (0.05). The ANOVA table also shows that the F-calculated value (4.938) was greater than the F-critical value (2.399) obtained from the f-

distribution table. This therefore suggest that the model was significant, and that an entrepreneur's personal characteristics, social characteristics, entrepreneurial competencies and firm-specific characteristics can be used to predict business growth of MSEs in the furniture manufacturing sector.

Beta Coefficients of the Study Variable

From the beta coefficients found, the following regression equation was fitted.

$$Y = 1.892 + 0.076 X_1 + 0.096 X_2 + 0.102 X_3 + 0.251 X_4 + e$$

The equation above reveals that holding social characteristics, entrepreneurial competencies, entrepreneurs' personal characteristics and firm-specific characteristics to a constant zero, business growth of MSEs will a constant value 1.892.

The study findings established that social characteristics is statistically significant in explaining business growth of MSEs in the furniture manufacturing sector ($\beta = 0.076$, $P = 0.024$). This is an indication that social characteristics had a positive relationship with business growth of MSEs in the furniture manufacturing sector. This shows that a unit increase in social characteristics results to an increase in business growth of MSEs in the furniture manufacturing sector by 0.076 units.

From the findings, entrepreneurial competencies is statistically significant in explaining business growth of MSEs in the furniture manufacturing sector ($\beta = 0.096$, $P = 0.007$). This is an indication that entrepreneurial competencies had a positive relationship with business growth of MSEs in the furniture manufacturing sector. This shows that a unit increase in entrepreneurial competencies results to an increase in business growth of MSEs in the furniture manufacturing sector by 0.096 units.

An entrepreneur's personal characteristics is statistically significant in explaining business growth of MSEs in the furniture manufacturing sector ($\beta = 0.102$, $P = 0.044$). This is an indication that an entrepreneur's personal characteristics had a positive relationship with business growth of MSEs in the furniture manufacturing sector. This shows that a unit increase in an entrepreneur's personal characteristics results to an increase in business growth of MSEs in the furniture manufacturing sector by 0.102 units.

Firm-specific characteristics is statistically significant in explaining business growth in the furniture manufacturing sector ($\beta = 0.251$, $P = 0.011$). This is an indication that firm-specific characteristics had a positive relationship with performance of SMEs in the furniture manufacturing sector. This shows that a unit increase in firm-specific characteristics results to an increase in business growth of MSEs in the furniture manufacturing sector by 0.251 units.

Table 7: Model, ANOVA and Beta Coefficients

Regression Statistics						
R			0.838a			
R Square			0.702			
Adjusted R Square	R		0.698			
Standard Error of the Estimate			0.3258			
ANOVA						
	Df	SS	MS	F	Significance F	
Regression	4	2.097	0.524	4.938	0.001b	
Residual	330	35.028	0.106			
Total	334	37.124				
	B	Standard Error	Beta	t	Sig.	
Constant	1.892	0.508		3.724	0.000	
Entrepreneurs Personal Characteristics	0.102	0.041	0.111	2.488	0.044	
Social Characteristics	0.076	0.024	0.093	3.167	0.024	
Entrepreneurial Competencies	0.096	0.026	0.113	3.692	0.007	
Firm Specific Characteristics	0.251	0.075	0.185	3.347	0.011	

Conclusion

On an entrepreneur's personal characteristics, the study found that this variable is statistically significant in explaining business growth of MSEs in the furniture manufacturing sector. The study further established that entrepreneurs' personal characteristics had a positive relationship with business growth of MSEs in the furniture manufacturing sector. The study established that social characteristics are statistically significant in explaining business growth of MSEs in the furniture manufacturing sector. It was also established that social characteristics had a positive relationship with business growth of MSEs in the furniture manufacturing sector.

The study found that entrepreneurial competencies are statistically significant in explaining business growth of MSEs in the furniture manufacturing sector. The study further established that entrepreneurial competencies had a positive relationship with business growth of MSEs in the furniture manufacturing sector. The study found that firm-specific characteristics are statistically significant in explaining business growth of MSEs in the furniture manufacturing sector. Further, the study established that firm-specific characteristics had a positive relationship with business growth of MSEs in the furniture manufacturing sector.

The study established that business growth of MSEs in the furniture sector in Kenya is statistically influenced by the four factors of impetus of entrepreneurship namely firm-specific characteristics. From the findings, the respondents were in agreement that sales turnover is affected by impetus of entrepreneurship. Entrepreneurs who are alert on the changes happening

in the market and leverage on this to innovate new products acknowledged that their firms recorded an increase in sales.

Recommendations

The study recommends management of MSEs to apply their personal characteristics in the running of their business. In addition, entrepreneurs are encouraged to take calculated risks, stay alert to so that they can recognize opportunities around their business operating environment and be innovative by applying their creativity in the business. The study recommends management of these MSEs to develop organizational culture that will position it in good cultural social network and therefore allow access to information that can help their business to triumph. The study also recommends that before any crucial decision affecting the future of the company is made, advice should be sought from mentors. The study recommends MSEs to be effective strategist by clearly planning on ways they can achieve their goals and also before launching a product into the market, they should conduct market research and have a systematic plan. The study recommends management of MSEs to embrace advanced technology that will improve sales in the firm and also accountability.

Area for Further Study

The main objective of this study was to ascertain the impetus of entrepreneurship and business growth of MSEs in the furniture manufacturing sector in Kenya. This study was conducted in Nairobi County; therefore, there is need for further research to be conducted in other counties to facilitate comparison and generalization of the research findings. The study focused on MSEs in furniture manufacturing sector in Kenya; there is need for further research to be conducted among the MSMEs in other manufacturing sectors.

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