

**FACTORS HAMPERING UPTAKE OF ENTREPRENEURSHIP AMONG PERSONS
WITH IMPAIRMENTS IN KENYA: A SURVEY OF ENTREPRENEURS WITH
IMPAIRMENTS IN NAIROBI COUNTY**

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ABSTRACT

Bringing persons with impairments (PWIs henceforth) at par with the rest of society is a commitment enshrined in the constitution and efforts are being made by the Government to achieve this endeavor. The most suitable and effective strategy of economically empowering PWIs is encouraging them to become entrepreneurs. Despite entrepreneurship being the most suitable way of including PWIs in National development and self-reliance only a small fraction (one third) of this group of people are undertaking some form of business. This is due to the argument that, Entrepreneurship is not an easy activity especially with PWIs because they face various problems at the time of establishing the business. The main objective of this study was to identify factors hampering uptake of entrepreneurship among persons with impairments in Kenya. The study population was entrepreneurs with impairments in Nairobi Kenya. The research adopted a descriptive research guided by survey research design. The ideal sampling technique was stratified random sampling with a sample size of 50 respondents. Questionnaire was used for data collection. The findings shows that Most of PWIs entrepreneurs have low level of education with no business training, and that most EWIs source their capital from personal savings followed by family and friends. Lack of acceptable collateral is a major obstacle in accessing credit to impaired entrepreneurs. Further, the study found that most EWIs had accessed mentorship programmes because they considered it important for business start up. Finally the study found that EWIs Have difficulties in accessing transport facilities affecting their mobility which further adversely affects their marketing and networking efforts. The study recommended for stakeholders involvement in all aspects including but not limited to education,

access to finance, mobility and mentorship to increase awareness and entrepreneurial culture among PWIs.

Key Words: Level of education, access to finance, mobility and mentorship

Introduction

In recent decades, the exclusion of many people with impairments from society has been recognized as a human rights issue, resulting from social barriers rather than the individual's inability to participate. This transition from a social welfare perspective to a rights-based approach has brought about a focus on improving the lives of PWIs through various aspects including economic inclusion. Entrepreneurship is perceived to be an important strategy that will facilitate economic inclusion for PWIs.

Kenya National survey for Persons with disabilities KNSPWD (2008) asserts that 4.6% of the Kenyan population is having some form of impairments. KNSPWD also reported that, out of the 4.6% population 5,789 PWIs reside in Nairobi, out of this number only 2,846 are having some form of employment, leaving more than half of this population as having no employment.

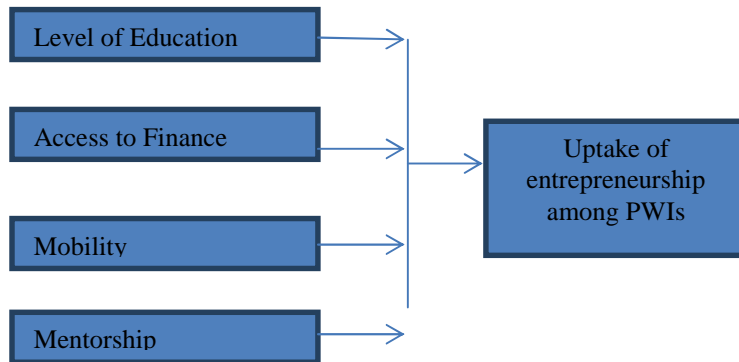
Furthermore, UN (2008) stated that 80-90% of persons with impairments does not have a formal job and must engage in some form of business. Boylan and Burchardt (2003) echoed UN (2008) by stating that self-employment among PWIs is significant from a number of different policy perspectives: promoting entrepreneurship; narrowing the gap in employment rates between impaired people and the rest of the population and preventing social exclusion. However irrespective of the above significance, only One third of the total population of PWIs is undertaking self-employment (KNSPWD, 2008). This is activated by an argument made by Roni (2009) that when this group of people wants to start their business they are normally disadvantaged and therefore faces various barriers.

According to Cooney (2008) this group of persons with impairments is in disadvantaged situation on the labor market, because of both special needs they might have and prejudices and discrimination they face. This disadvantaged position can have far-reaching consequences, as having a job is not only a significant stimulant for participation in society as a whole but also for self-reliant .Impairment is a development issue as World Bank considers that leaving PWIs outside the economy translate into a forgone GDP of about 5-7 % (Handicap International (HI), 2006).

Therefore, if entrepreneurship is desirable for counties as a tool for eradicating or reducing poverty and stirring economic development, Kenya must pursue the agenda and all members of

the society must be involved including PWIs. The above discussion has brought a need to study factors hampering uptake of entrepreneurship among persons with impairments in Kenya.

Based on the literature reviewed, a conceptual framework was developed consisting of four independent variables understood to influence uptake of entrepreneurship among PWIs.



Independent Variables

Dependent Variable

Fig.1 Conceptual framework

Literature Review

Kolstad and Wiig (2009) assert that education influences the selection to become an entrepreneur through various mechanisms, that is to say that, More education is generally correlated with higher wealth and consequently lower start-up costs for enterprise activities. UNESCO on the other hand declared that no civil, political, economic, and social right can be exercised by individuals, unless they have attained a certain minimum level of education. It is worth noting that, although entrepreneurial qualities are to some extent present in every individual, we assume that these qualities can be developed further through education (Kuip & Verheul, 2003). Entrepreneurial qualities should therefore be taught preferably at an early age because young children are still malleable and entrepreneurial qualities are comparable to personality traits developed during upbringing (Storey, 1994). Considering the aforementioned statements, Children with impairments tend to have lower achievements in education, they are more likely to drop out of school, and thus have lower qualifications. HI (2006) also established that people who have been impaired since childhood, have often been denied formal education, or have lived in social isolation, which is a major reason why they have developed poor social skills, as well as, experiences problems associated with low self-esteem. These impaired children also require more time, resources, and special training to enable them start their own businesses when they grow up, and thus most impaired persons have not been able to rip the benefits of lifelong education (WPA, 1982). Kolstad and Wiig (2009) stated that, If education has a higher impact on the productivity in business activities compared to other occupational choices, more talented

persons become entrepreneurs. Furthermore, it has been found that the entrepreneurs often have a formal university education which makes them ready for the tough market game (Robinson & Sexton, 1994). Entrepreneurs are not born rather they become through the experience of their lives. Through effective entrepreneurship education an individual can access the skills and knowledge needed to start and grow up a new business (Drucker, 2005).

In General terms as noted by Wole (2009) the need for capital is either to start new business, or to effectively operate existing enterprises. Wole further noted that, Availability of finance determines the capacity of an enterprise in a number of ways, especially in choice of technology, access to markets, access to essential resources, etc which intern greatly influence the viability and success of a business. Most people with impairment, who have the intention of getting involved in entrepreneurial activities usually, require startup capital for the new business ventures. In most cases the main sources of startup capital comes from family savings, loans from relatives, NGOs, micro finance institutions, and other money lenders. In most cases the demand for capital from the persons with impairment remains largely unfulfilled (HI, 2006), They face other impedance to gaining startup capital, as some financial institutions having conditions such as having an already going on business as a criterion of obtaining a loan. This scenario puts most persons with impairments at a greater disadvantage in starting up their own business ventures as mentioned by (HI, 2006).

Making contact is an important aspect in business, and therefore, business owners usually have to make plenty contacts in order to pursue crucial business opportunities, as well as, gaining useful information, tips, and advice (Roni, 2009). Business owners are usually very busy, with a lot of movements and commuting, therefore, entrepreneurial impaired persons find it very demanding to attend regular meetings. Moving from one place to another on short notice becomes an added burden because according to Vaughn (2007), persons with impairments cannot be able to afford the additional expenses of modifying a passenger vehicle to accommodate their impairments, they may not be able to drive at all because of the nature and severity of their impairment, for a number of reasons public transportation alternatives do not always completely meet the work transportation and business travel needs of many people with impairments (Vaughn, 2007). Most market places are not fully equipped, with no user friendly transport modes for these people, which make them unable to access certain areas (Cramm & Finkenfluge, 2008) Thus making them to face competition disadvantage, which is most cases is associated with huge opportunity costs.

Research has shown that entrepreneurial learning is critical to the survival and growth of entrepreneurial businesses. Sullivan (2000) argues that, mentors bring added value interventions that make a difference in the long-term success of the business. Mentors may provide the support entrepreneurs need when it matters most. Deakins, Sullivan and Whittam (2002) argued that mentorship support, using previous entrepreneurs, should be effective in overcoming the crucial early stage learning period when new entrepreneurs have to learn how to handle change, crises

and make strategic decisions. Mentorships for individuals with impairments are considered especially important during times of transition such as those from high school to college as well as from post-secondary education to graduate school and professional or vocational employment (Powers et al., 2001; Weir, 2004). For young people with impairment, mentoring can impact many of the goals that are part of the transition process: succeeding academically, understanding the adult world, developing career awareness, accepting support while taking responsibility, communicating effectively, overcoming barriers, and developing social skills (Rhodes, Crossman & Resch., 2000).

Research Methodology

This study adopted a descriptive research which was guided by a survey research design. Khan (2008) recommends descriptive research for its ability to establish factors associated with certain occurrences, outcomes or conditions or types of behavior. This enable the researcher to describe the characteristics of the respondents, explore the status of existing variables and explore the respondents' attitudes and values to the phenomena under study. Creswel (2003) pointed out that, a survey research design provides a quantitative or numeric description of trend, attitude, or opinion of a population by studying a sample of that population. On the other hand surveys allows you to reach many possible participants if necessary which ensures a more accurate sample in which to draw conclusions at a low cost. Finally, because of the high representativeness brought by the survey method, it is often easier to find statistically significant result (Creswel, 2003).

The study populations were entrepreneurs with impairments in Nairobi County.

The sampling method used in this research was stratified random sampling. The researcher considers this method to be an appropriate way that the insights of the whole population that has been targeted for the research will be provided for in the study. The researcher used questionnaire to collect data. Descriptive statistics was used to measure the quantitative data which was analyzed using the SPSS. Tables and other graphical presentations as appropriate were used to present the data collected for ease of understanding and analysis. In addition, the study employed inferential statistics that involved coefficient of correlation, and coefficient of determination analysis.

Results and Discussion

From the findings, majority (43.9%) of the respondents had reached primary school, 26.8% had reached secondary school. Although Gouskova (2012) argues that among PWIs, education is important for starting own business, which among other things might indicate that acquiring and processing such information can be a challenge for those with less schooling. Boylan and Burchardt (2003) states that people who have been impaired from a young age may have already experienced disadvantage within the education system due to lack of access to facilities and the full curriculum.

Findings revealed that 61% of them had not had any form of business training. According to Jadwa (n.d), The poverty level of impaired persons are perpetuated by lack of appropriate training in business and entrepreneurial skills. Jadwa also asserts that, pulling the impairment persons into economic empowerment programs involves flexible and strategic entrepreneurial training packages, as well as, customized financial development products and activities. However, Most of the entrepreneurs with impairments are adults, who would not easily go back to school.

Majority (43.9%) of the respondents indicated that their source of startup capital was personal savings while 17.1% indicated that they got startup capital from friends, and family members. Majority of the respondents (46.3%) had started their businesses with a startup capital of less than Kshs 10,000, 36.6% with between Kshs 11,000 and 50,000. 61% of the respondents indicated that the startup capital was not enough for their businesses. This finding is supported by HI (2006) findings which indicated that, in most cases the demand for capital for the persons with impairments remains largely unfulfilled and insufficient.

Majority (68%) of the respondents indicated that they did not borrow their startup capital. HI (2006) indicated that impaired person tend to borrow money when they face impedance to gaining startup capital, but most financial institutions have conditions such as having an already going on business as a criterion of obtaining a loan. This scenario puts most persons with impairments at a greater disadvantage in starting up their own business ventures.

61% of the respondents indicated that they required traveling from their place of residing to the location of their business. 85.4% of them had difficulties in accessing transport facilities. 78.0% felt that the transport system in their area met the need as per their status. 70.7% of them had difficulties in accessing buildings or places which are relevant for their business activities. Vaughn (2007) noted that, lack of accessible and affordable transportation options implies that entrepreneurial opportunities for the impaired persons are made difficult to attain, they face transport barriers, and they are also influenced by the severity of the impairment. This findings confirms Cramm and Finkenfluge (2008) study which stated that most market places are not fully equipped, with no user friendly transport modes for PWIs, which make them unable to access certain areas Thus making them to face competition disadvantage, which in most cases is associated with huge opportunity costs.

From the study findings, 68% of the respondents had access to a mentorship programme. 80% felt that mentorship was important for business startup. Srikanth (2013) asserts that having a mentor should be viewed as a necessary investment and should be factored into the business plan right at the outset.

To establish the relationship of the dependent and the independent variables, the researcher also conducted a correlation analysis. mentorship and impairment entrepreneurship were positively correlated as shown by a Pearson's coefficient correlation of .641; mobility was negatively

correlated to impairment entrepreneurship as shown by a Pearson's coefficient correlation of $-.733$. Access to finance was positively correlated to Impairment Entrepreneurship as shown by a Pearson's coefficient correlation of $.631$, education was positively correlated to Impairment Entrepreneurship as shown by a Pearson's coefficient correlation of $.511$. Hence the factor that affected impairment entrepreneurship most was mobility.

The coefficient of determination (R Squared) was carried out to measure how well the statistical model was likely to predict future outcomes. As shown in table 4.2, the four independent variables that were studied, explain only 58% of the regression model. This therefore means that other factors not studied in this research contribute to 42% of the effects uptake of entrepreneurship of persons with impairment.

Therefore, further research should be conducted to investigate the other factors (42%) that hamper uptake of entrepreneurship among the persons with impairments.

Table 4.1: Correlation Matrix

		Impairment Entrepreneurship	Education	Access to Finance	Mentorship	Mobility
Impairment Entrepreneurship	Pearson Correlation Sig. (2- tailed)	1				
Education	Pearson Correlation Sig. (2- tailed)	.511	1			
Access to Finance	Pearson Correlation Sig. (2- tailed)	.631**	.258**	1		
Mobility	Pearson Correlation Sig. (2- tailed)	-.733**	.370**	.490**	1	
Mentorship	Pearson Correlation Sig. (2- tailed)	.641**	-.298**	-.313**	-.343**	1

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

Table 4.2: Model Summary

Model	R	R Square	Adjusted R Square	Std error of Estimate
1	0.76223356a	.5810	.411	.48101

Implication of Research and Practice

The findings advocates for the Government to have special schools if possible at counties level that are tailored to cater for the impaired persons needs so that they can secure their educational needs and entrepreneurial training needs. In addition, the entrepreneurship training program for PWIs must fit the diverse range of people that it serves and must also be open to every impaired person, regardless of the type and severity of their impairment. This will help to improve on both academic and training requirements for PWIs.

On the other hand, the findings exposes the plight of EWIs on access to finance, the study advocates that awareness should be created by both Government and Financial institution on the different financial services and business support available to PWIs that are interested in engaging in business. Also, support financial organizations need to be better informed regarding the specific financial challenges faced by EWIs, As in any marketing situation, it is only through developing a thorough understanding of the potential customer that one can develop a product or service that is appropriate to their needs.

In addition, the findings reveal that the challenge of mobility for PWIs portrays the minimal effort by Government or policy implementers to incorporate PWIs in the business arena. Therefore measures should be taken to ensure that rights and privileges of PWIs stipulated in the persons with Disability Act 2003 regarding mobility are implemented, these rights includes; Barrier free and impairments friendly environment to enable PWIs have access to buildings, roads and other social amenities and operators of public service vehicle to adopt it to suit PWIs. By so doing, EWIs will find an opportunity to undertake their business in a more convenient and diverse environment without worries of mobility difficulties.

Finally the finding brings new information in respect to entrepreneurship and Impairment; this information can be beneficial to policy makers to come up with strategies that will make entrepreneurship among impaired persons a success story in Kenya and other countries.

In a nut shell, the study reveals entrepreneurship as a promising field for PWIs although the environment in which EWIs operate is difficult. From this study, it is clear that PWIs are in self-

employment and that they can successfully run enterprises with minimal challenges if the surrounding environment accommodates their diverse needs.

Conclusions

Entrepreneurship is a critical factor among people living with impairments from different policy perspectives, such as promoting entrepreneurship among the people living with impairments, preventing social exclusion, narrowing the existing gap in the employment rates among the impaired persons as compared to the rest of the population. Various strategies should therefore be established, with the purpose of making it easy for the transition of the persons with impairments to economic development.

Most EWIs are within the working age dominated by male entrepreneurs. EWIs are in manufacturing sector operating micro enterprises with less than 10 employees, with the motivation of making more money.

Education is generally correlated with higher wealth and consequently lower start-up cost for enterprise activities; however, EWIs have basic education with no business training. This is because impaired children get the least priority in education as compared to their non-impaired siblings either due to poverty of parents or the attitude barrier in the society. In addition most PWIs are not enrolled due to the severity of their impairments. They therefore go to business ill equipped.

Further, EWIs source their capital mostly from personal savings followed by friends and families. The startup capital being less than Kshs. 10,000 and is not adequate for their businesses. Lack of collateral which is a requirement from lending institutions is a major obstacle of access to finance among EWIs.

In addition, EWIs face difficulties in accessing transport facilities since most of the transport systems are not equipped to cater for their impairment status, thus making it difficult for them to access essential places for their business activities, hence affecting their business adversely in terms of marketing and networking which further results to poor performance making it difficult for them to attain their business objectives. However for those who have their businesses near their area of residence the aforementioned issues may not affect them since they may not be required to travel to their business premises.

Furthermore, EWIs assert that mentorship is important for their business since mentorship can bring added value intervention that makes a difference in the long-term success of their business, mentorship has provided them with full support that they needed when it comes to entrepreneurship matters and programs designed by the financiers and government address both lifestyle and career issues that are of particular significance and relevance for EWIs like them. However ,they also assert that they are not provided with mentorship programs by the

Government that aimed at designing transitional anxieties, improve social competence and improve the disability related skill set and motivation needed to succeed

Further Research

Past researchers reveal that establishing a new business is loaded with difficulties, whether one is impaired or not. Indeed the types of enterprises started by PWIs are as varied as those started by any other community of people, and their business problems are broad.

This study investigated on the factors hampering uptake of entrepreneurship among persons with impairments in Kenya with specific focus to Nairobi County. The study suggests that further research to be done on the same theme in other counties especially counties in the rural areas in order to depict real situation of factors hampering uptake of entrepreneurship among PWIs in Kenya. The study also suggests that further study be done on the role of Government on entrepreneurial activity among impaired persons so that such entrepreneurs can easily identify the benefit which can accrue from associating with Government organizations as far as entrepreneurship is concerned.

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