



**ENTREPRENEURIAL VALUES AND GROWTH OF FOOD PROCESSING SMALL AND MEDIUM ENTERPRISES IN  
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**Accepted: February 13, 2021**

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**ABSTRACT**

*This research intended to establish the influence of entrepreneurial values on growth of Food Processing enterprises in Nairobi County in Kenya. The study sought to find out the role played by being proactive, Risk taker, and Competitor aggressor and willingness to innovate. The main research question was how these businesses used the entrepreneurial values to develop themselves and overcome stiff competition. The study employed a case study research design where information was solicited mainly using self-administered questionnaires, evaluation of existing records and face-to-face interview guides. Respondents for the self-administered questionnaires were picked through stratified sampling. From each stratum or group, a random sample was selected. Purposive sampling was employed for key informants who were subjected to face-to-face interviews. The data used in the study was obtained from both primary and secondary data. The outcome of this study was presented through frequency distribution charts, graphs and tables with narrations for all. The information collected from this study was beneficial to the all enterprises as well as other organisations such as universities, consultancy firms, and other research firms. The study found that innovativeness positively and significantly influences growth of Family owned food processing companies; risk taking positively and significantly influences growth of Family owned food processing companies; proactiveness positively and significantly influences growth of Family owned food processing companies and competitive advantage positively and significantly influences growth of Family owned food processing companies. The study therefore recommended family owned businesses to increase their acceptance of innovation; this is by implementing new ideas and products as well as services based on the changing customer and market trends; they should also embrace new technology. Management of family owned businesses should develop long term objectives for their companies; ones that can guide the company in realising their mission and vision.*

**Key Words:** Innovation, Risk Taking, Pro-Activeness, Competitive Advantage

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**CITATION** Obiero, S. A., & Nyangau S. P. (2021). Entrepreneurial values and growth of food processing small and medium enterprises in Nairobi County, Kenya. *The Strategic Journal of Business & Change Management*, 8 (1), 248 – 264.

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## INTRODUCTION

Food processing business is a vibrant area of growing interest today among research theories investors policymakers, and many others with good cause. Recent research has demonstrated that Food processing firms are top performers, whether measured by the bottom line, value creation by the shareholder or their capacity to create job (Mohd et al 2012) . Despite the prevalence of Food processing businesses, the exact concept of the it remains elusive and open to interpretation. It is generally agreed that Food processing family businesses differ from non-family businesses and need to be considered separately. However, relatively few authors examine differences amongst businesses. It will focus on food processing firms a group that is relatively neglected in the business literature despite the fact that their contribution towards the economy and the tendency to have strong family ties and family involvement in business is huge.

Innovation remains a potent force in the development of socioeconomic systems. Nevertheless, undue focus has been placed on the plight of larger, typically publicly held conglomerates. (Mohd et al 2013). Foreign countries are also quite active, with nations ranging from China to Chile experimenting in new ways to foster new firm formation, Cities across the United States are sprouting new incubators and accelerators and introducing programs to attract innovative talent (Xu Et al, 2017). According to the European Commission, family businesses are estimated to make up over 60% of companies and account for 40–50% of employment in Europe (European Commission, 2009).

Africa is a unique and interesting continent; it has a population of one billion plus living in 54 countries. (Hoskisson et al 2013) observe that a number of nations such as Botswana, Mauritius, Ghana and Rwanda are flourishing in Economic growth. Other economies are surging forward too and foreign direct investment has been flowing, Consequently Africa has been described as the next growth market in the world in the wake of its unmatched

opportunities. (Chilonga et al 2011) Africa's growth continued to increase rising from 3.7 per cent in 2013 to 3.9 per cent in 2014. Improved macroeconomic management, diversified trade and investment ties with emerging economies among other factors (UN commission, 2015) underpinned the performance.

SMEs are huge engine for growth, employing about 84% of the workforce. SMEs are a big priority for KAM. They are looking at bringing more SMEs to the manufacturing sector and assisting them when dealing with the complexities that exist in the business environment (KAM 2020). Given the fact that SMEs contribute around 33% of value-added goods and create 80% of all new jobs, their promotion ranks high on Vision 2030's industrialisation agenda, with the MOIED's Kenya Industrial Estates (KIE) providing infrastructure, business development services and financing for new SME projects (Oxford Business Group 2019). Vision 2030 also targets skills development programmes, commercialising research and development (R&D) activities, and increase investment to strategic segments including iron and steel, agro-processing, machine tools and machinery, motor vehicle assembly, and spare parts manufacturing (Vison 2030).

After a challenging 2018, the industrial sector has started to show signs of recovery and is expected to perform well in the coming years, as several government initiatives and programmes focus on boosting the manufacturing sector and its contribution to Kenya's economy (Oxford Business Group 2019) . Although official efforts are already under way, implementation of policies concerned with raising local output and lowering production costs could help Kenya on its path to becoming the industrial hub of East Africa. As for the retail sector, with the economy strengthening, foreign investors entering the local retail market and the middle class continuing to grow, prospects remain positive. Conversely, companies that weathered these difficulties are in good shape and, in fact,

benefitting from the rebound (Oxford Business Group 2019).

PriceWater Cooper (2018) recognises the exceptional value that family businesses and private companies contribute to the economy in Kenya and the East Africa region. In PwC has published our third biannual Family Business Survey, Kenya edition. This year's survey focuses on values and how clear, well-integrated values have the power to transform family businesses. The family businesses are the backbone of the economy. 60-80% of GDO and labour force and perform better and stimulate the economy of the country even better (AFBE 2015). According to a survey by Price Water House Coopers, 2014 on family business in Kenya growth prospects are high and strong. The enterprises benefit from agile decision-making and an entrepreneurial mindset especially when they focus on strategies to support long-term sustainability, professional management, skills development and innovation.

Nairobi County is one of the 47 counties in the Republic of Kenya. In addition to being the capital, Nairobi is also the country's largest city by population. The last official population was taken in 2009 and at that time was 3,138,369 in the city proper. That number has since grown to approximately 3.5 million. The metro area has over 6.5 million residents. This "Green City in the Sun" has a history dating back to 1899 and continues to grow as rural residents make their way to this big city for employment opportunities (CIDP 2018). The city of Nairobi is growing consistently and currently sprawls over a surface area of 696 kilometers squared (269 square miles) and is located between longitudes 36° 45' East and latitudes 1° 18' South. It lies at an altitude of 1,798 M above sea level. This area size - in combination with the total number of residents - brings us the current population density, which is now approximately 4,850 residents per square kilometer. (12,600 people living per square mile).

It borders Kiambu County to the North and West, Kajiado to the South and Machakos to the East.

Among the three neighbouring counties, Kiambu County shares the longest boundary with Nairobi County. (CIDP 2018) Nairobi is one of the fastest growing cities in Africa, quickly becoming the second largest city of the African Great Lakes. The city is growing at a rate of over 4% annually, primarily because of the high birth rates and immigrants that come to Nairobi searching for employment opportunities. It is estimated that the city will continue on its upward trajectory in terms of population, reaching 5 million in 2025 (CIDP 2018).

### **Statement of the problem**

Entrepreneurship is a challenging endeavour given the ever-increasing levels of competition both locally and internationally as well as the difficulties involved in accessing financing. Many businesses are affected by unique cultural dimensions such as the issue of power distance. Since organisations, which are located in countries with high power distance; tend to have high levels of inequality between the top management and subordinates, which in turn hampers the growth of entrepreneurship amongst subordinates (Abdullah, Yusoff & Adam, 2013). Additionally, culture may play a critical role through religious beliefs such as the manner in which the Protestant faith teaches adherents to have a hard work ethic, which then drives them to be more entrepreneurial since hard work is an accepted value in such societies.

However, other religious beliefs may hinder the growth of entrepreneurial intentions such as strict Muslims refusing to buy goods from those they believe are not "halal" (Henley, 2017). According to Giagtzi et al (2013), perceptions of desirability of an entrepreneurial opportunity are influenced by the social norms such that entrepreneurs that are low in status tend to have lower perceptions of desirability. Especially in traditionally non-entrepreneurial societies, plagued by poor economic conditions such as Southern European countries like Greece with the opposite being the case for northern European countries. Thus, it is apparent that social norms must be factored into

consideration by entrepreneurs since they determine entrepreneurial intentions and affect the growth of businesses. Moghavvemi, Wai & Teng (2017) posit that entrepreneurial intention is incumbent upon the existence of the propensity to act; however, this is a quality, which is completely subjective and not necessarily available in all individuals.

Personal traits such as the need for achievement are a crucial determinant of the success of entrepreneurs. They have a direct bearing on the level of motivation to engage in entrepreneurial activities as indicated by capacity and desire (Asmara, Djatmika & Indrawati, 2016). Additionally in order for the need for achievement to have a significantly positive influence on entrepreneurial potential, it needs to be combined with an extroverted and collectivist orientation, which then makes it difficult to attain (Zeffane, 2013).

Bird (2014), argues that some family traditions may not be beneficial for the growth of entrepreneurship such as all decisions being taken by family members, which creates bottlenecks and discourages innovation and the assumption of initiative by non-family members. Altinay, Madanoglu, Daniele & Lashley (2012) postulates that in industries where family traditions are dominant, they may hamper the impact of other personality traits such as propensity to take risks and need for achievement.

This paper therefore sought to contribute to the existing body of knowledge on the influence of entrepreneurial values by investigating the relationship between various dimensions of entrepreneurial values on the growth of food processing enterprises in Kenya and shedding new insights on the same.

### **Research objective**

The general objective of the study was to determine entrepreneurial values and growth of food processing enterprises in Nairobi County. The study was guided by the following specific objectives;

- To examine the effect of innovativeness on food processing enterprises' growth in Nairobi County.
- To determine the effect of risk taking on food processing enterprises' growth in Nairobi County.
- To establish the effect of pro-activeness on food processing enterprises' growth in Nairobi County.
- To explore the moderating effect of competitive advantage on growth of food processing enterprises in Nairobi County.

## **LITERATURE REVIEW**

### **Schumpeter Theory of Innovation**

According to Schumpeter (1942), entrepreneurship brings about social change. The entrepreneur makes new combinations of new products, sets up new/opening of conquest of production process, new markets, new sources of supply and developing a new organization or industry through innovation. He differentiates between the inventor and the entrepreneur. The latter is defined as one who sees how to fulfill currently unsatisfied needs or perceives a more efficient means of doing what is already being done and receives extraordinary profits as a result (Kamien & Schwartz, 1982). The profit is a surplus or residual that arises due to an innovative act resulting in lower cost or higher prices (Nteere, 2012). Economic development is referred to by Schumpeter as 'creative destruction.'

Adam Smith in his *Wealth of Nations* (1937) argues that innovation requires the investment of money and that it is an important economic activity inducing gains. Thus, Schumpeter (1942) believed that larger firms have an advantage with respect to innovation. This theory was further refined by Galbraith (1952). The main aim of firms is to maximise expected profits. Larger firms are able to achieve economies of scale, diversify, develop market reputation, etc. as shown by empirical studies (Cohen and Klepper 1996). Nelson (1959) contends that the more widespread the reputation and name of a firm, the higher the chances of full

exploitation of its research efforts. Based on his empirical analysis, Schmookler (1972) claimed that after a certain 'large' size, the efficiency of inventive activity varies inversely with firm size. Williamson (1965) further explains the factors which hinder innovation in a large firm. Another possible reason for the lack of innovation by large firms could be the 'scarcity of ideas'. Innovation is supposed to be highly competitive and small firms are in a better positioned to fully exploit it in combination with their focus on new innovative technologies (Hicks & Buchanan, 2003).

### **Need for Achievement Theory**

Achievement theory proposes that motivation vary according to the strength of one's need for achievement (Sumi 2010). While the trait model focuses on enduring inborn qualities and locus of control on the individual's perceptions about the rewards and punishments in his or her life (Pervin, 2010), need for achievement theory by McClelland (1961) explained that, human beings have a need to succeed, accomplish, excel or achieve. Entrepreneurs are driven by this need to achieve and excel. While there is no research evidence to support personality traits, there is evidence for the relationship between achievement motivation and entrepreneurship (Johnson, 2009).

Risk-taking and innovativeness need for achievement, and tolerance for ambiguity had positive and significant influence on entrepreneurial inclination (Mohar, Singh & Kishore, 2007). However, locus of control had negative influence on entrepreneurial inclination. The locus of control was also found to be highly correlated with variables such as risk taking, need for achievement, and tolerance for ambiguity. Further evidence suggests that some entrepreneurs exhibit mildly risk-loving behaviour (Brockhaus, 2008). These individuals prefer risks and challenges of venturing to the security of stable income.

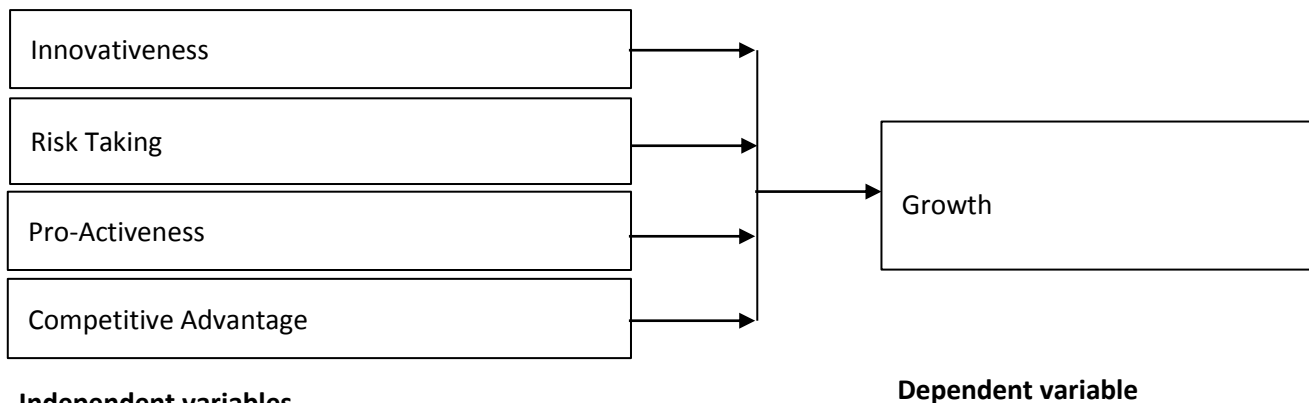
### **Parker's Theory of Proactive**

A belief that one can be successful in a particular domain, or high self-efficacy, is likely to be

especially important in proactive goal generation because being proactive entails quite a high potential psychological risk to the individual (Parker, 2006). Proactive goal is likely to involve a deliberate decision process in which the individual assesses the likely outcomes of his or her behaviours (Morrison & Phelps, 1999; Parker & Williams, 2006). Individuals need to feel confident that they can both initiate proactive goals and deal with their consequences before they act. Individuals want to be proactive or see value associated with being proactive to change a particular target. When goals are imposed or prescribed via some external regulation, there is already a reason to carry out the goal. Situations in which individuals have high levels of discretion, goals are not tightly specified, the means for achieving them are uncertain, and attainment is not clearly linked to rewards. Under such circumstances, their needs will be a strong internal force driving the potentially risky behaviour of pro-activity (Parker, 2006).

### **Market Orientation Theory**

This challenge of the need to anticipate the future in dealing with innovation is really encompassed in the market orientation theory. Kohli and Jaworski (2009) acknowledge that, intelligence generation involves anticipating customers' future needs, but do not develop this thought. Indeed, in a later paper, Kohli and Jaworski (2009) argue that, innovation is an outcome of market orientation. The relationship between market orientation and innovation is not clear. On the one hand, there is an argument that a market-oriented focus could be detrimental to innovation, based on the idea that market orientation seduces the business to being narrowly interested in short-term customer needs (Hayes & Abernathy, 2005). On the other hand, it is proposed that models of market orientation should focus more on innovation (Hurley & Hult, 2008). They suggest that, if market orientation requires the adoption of new behaviours, then innovation should be included in the existing models of market orientation.



**Figure 1: Conceptual Framework**  
**Source: Author 2020**

**Empirical review**

Innovativeness reflects a firm's ability to engage in new ideas and creative processes that may result in new products, markets, or technological process (Rauch et al., 2009). Thompson Calantone et al., (2002) defined innovation as "the generation, acceptance, and implementation of new ideas, processes, products, or services". Covin and Miles (1999) believed that innovation is a crucial part of a strategy and that entrepreneurship cannot exist without it. However, by reviewing previous studies in four different industries within Australia, Coulthard (2007) found that innovativeness is not the most significant dimension. According to Landstrom (2005), innovativeness is related to creativity. Without creativity, there will be no force to be innovative. Creativity is a source of ideas that will lead to the innovation of products, services, processes, markets, or technology.

Risk-taking refers to a firm's willingness to take calculated business opportunities in the Market place, even when their outcomes are uncertain (Lumpkin and Desks, 2001). Firms with risk-taking behaviour of are described as firms that are bold and aggressive in pursuing opportunities, such as incurring heavy debt or making large resource commitments to obtain high returns by taking advantage of opportunities provided by the environment (Lumpkin and Dess, 1996). Avlonitis and Salavou (2007) added that firms with strong entrepreneurial behaviour are attracted to projects

of higher level of risk to get higher level of return. On the contrary, a risk-averse firm will avoid doing something that provides uncertain yield to changing environment. This behaviour will result in weaker performance as the firm is not willing to capture market opportunities (Hughes and Morgan, 2007).

Pro-activeness can be described as "taking initiative by anticipating and pursuing new opportunities related to future demand and by participating in emerging markets" (Lumpkin and Dess, 1996). Being a proactive firm is demonstrated by a firm's awareness and responsiveness to market signals (Hughes and Morgan, 2007). According to Rauch, Wiklund et al. (2009), pro-activeness is "an opportunity-seeking, forward-looking perspective characterised by the introduction of new products and services ahead of the competitions and acting in anticipation of future demand". Kropp, Lindsay et al. (2008) suggested that pro-activeness involves the identification and evaluation of new opportunities, and monitoring market trends. By conducting these activities, some studies discovered that proactive firms introduce new products in the market ahead of their competitors (Venkatraman, 1989). However, Courtyard (2007) argued that pro-activeness is not always being the first mover in the market. Hughes and Morgan (2007) and Coulthard (2007) found that at the initial stages of firm growth, pro-activeness was a critical factor that affected firm performance

improvement. The role of pro-activeness was less important once a firm was established.

The turbulence brought about by global hyper-competition too, has created an increasing awareness that speed, sustainability, flexibility, quality of product and service, brand, customer's relationship, employees care, and patient capital are genuine sources of competitive advantage (Mohd et al 2013). According to Lumpkin and Dess (1996), "competitive aggressiveness refers to a firm's propensity to directly and intensely challenge its competitors to achieve entry or improve position, that is, to outperform industry rivals in the marketplace". These actions may be based on product innovations and/or market development. In order to surpass their industry rivals, firms can demonstrate responsive or reactive action. Responsiveness may take the form of head-to-head competition or direct attack on competitors, such as when a firm enters to the market where the competitor is already present. In contrast, reactive shows direct reaction to a competitor's action, for example where a firm cuts the price of its product when a competitor introduces a new product to the chosen market (Lumpkin and Dess. 1996). Locus of Control is a psychological dimension to behave (Rum 2012).

## METHODOLOGY

The research design applied in this study was descriptive research design. This design was applicable because the issue being tackled was specific. Nairobi County was the area of study and it had 77 SMEs (KNBS 2019). This therefore was the target population. The population was classified into 42 two non-overlapping groups, those in the service industry and those in manufacturing. Data was collected using questionnaires and interviews. The questionnaires had open end and closed questions. The researcher issued the questionnaires personally to the target population. To determine the reliability of the research instrument the Cronbach's Coefficient alpha ( $\alpha$ ) was used. The data collected from the field was analyzed using the Statistical Package for Social

Sciences (SPSS) version 23. A multiple regression analysis was used to determine the nature of the relationships between the dependent and independent variables.

The Regression Model that was tested is summarized as follows;

The multiple regression models was;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Where,

Y = Growth of Family owned food processing companies.

$\beta_0$  = Constant term

$X_1$  = Willingness to innovate

$X_2$  = Risk taking

$X_3$  = Proactiveness

$X_4$  = Competitive advantage

$\beta_1, \beta_2, \beta_3, \beta_4$ , are Beta coefficients corresponding to  $X_1, X_2, X_3, X_4$  respectively

$\epsilon$  = Error term

$\beta_0$  = constant beta coefficients

## FINDINGS AND DISCUSSION

### Descriptive Statistics

In this section, the study presented findings on the likert scale questions where respondents were asked to indicate their level of agreement with various statements relating with entrepreneurial values and growth of food processing enterprises in Nairobi County. Respondents were asked to use a 5-point Likert where; 1- Strongly disagree, 2- disagree, 3-moderate, 4- agree, 5- strongly agree. Mean and standard deviation values were used to interpret the findings where means of 0-1 implied that the respondents strongly disagreed, a mean of 1.1-2 implied they disagreed, 2.1-3 suggest that they were neutral, a mean of 3.1-4 suggest they agreed, and a mean of 4.1-5 implied that the respondents strongly agreed. If the standard deviation is greater than two it is a high standard deviation which means that respondent had differing opinion, if the standard deviation is less than 2 it is a low standard deviation an indication that respondent had similar opinion.



### Innovativeness on Growth

Respondents indicated their level of agreement with statements relating with the influence of

Innovativeness on the growth of family owned food processing enterprises in Nairobi County. Table 1 presented the findings.

**Table 1: Influence of Innovativeness on Growth**

	Mean	Std. Dev.
Innovation creates new processes and products	3.982	1.37
Innovation allows the organization or individual to focus on enhancing the product.	3.889	1.381
Innovation allows the use of local materials tailor made to suit the market demand	3.777	1.275
Innovation help in market penetration by the enterprise	3.738	1.32
Innovation has enabled value addition in the business	3.698	1.331

From the findings, respondents agreed that innovation created new processes and products (M=3.982); innovation allowed the organization or individual to focus on enhancing the product (M=3.889); innovation allowed the use of local materials tailor made to suit the market demand (M=3.777); innovation helped in market penetration by the enterprise (M=3.738); and innovation enabled value addition in the business (M=3.698). These findings agreed with Covin and Miles (1999) that innovation is a crucial part of a strategy and that entrepreneurship cannot exist

without it and that innovativeness is related to creativity. Without creativity, there will be no force to be innovative. Creativity is a source of ideas that will lead to the innovation of products, services, processes, markets, or technology

### Risk taking on Growth

Respondents indicated the level to which they agreed with statements about how risk taking has a bearing on the growth of family owned enterprises in Nairobi County. The findings were as presented in Table 2.

**Table 2: Risk Taking on the Growth**

	Mean	Std. Dev.
The enterprise takes higher risk associated with enormous returns on investment (ROI)	3.961	1.476
Risk taking helps in improving customer base by implementing surprising and innovative tactics, for attracting new customers.	3.948	1.263
The business uses brave and opened minded strategies to achieve business goals	3.915	1.343
The business invests in high-risk ventures, latest technologies and storm the market with new products	3.863	1.326
The enterprise borrows tactfully to invest on new products , technologies , processes	3.856	1.525
Risk behaviour is demonstrable while pursuing new opportunities	3.836	1.22

From the findings presented in table 2, the respondents were in agreement that the enterprise takes higher risk associated with enormous returns on investment (ROI) (M=3.961); risk taking helps in improving customer base by implementing surprising and innovative tactics, for attracting new customers (M=3.948); the business uses brave and opened minded strategies to achieve business goals (M=3.915); the business invests in high-risk ventures, latest technologies and storm the market with new products (M=3.863); the enterprise

borrows tactfully to invest on new products, technologies, and processes (M=3.856) and that risk behaviour is demonstrable while pursuing new opportunities (M=3.836). The findings concurred with Avlonitis and Salavou (2007) that firms with strong entrepreneurial behaviour are attracted to projects of higher level of risk to get higher level of return while a risk-averse firm will avoid doing something that provides uncertain yield to changing environment. This behaviour will result in weaker

performance as the firm is not willing to capture market opportunities.

### Pro-activeness on Enterprise Growth

Respondents indicated the level to which they agreed with various statements about the influence

**Table 3: Influence of Pro-Activeness on Growth**

	Mean	Std. Dev.
Proactive marketing strategies enhances a firm's image hence increasing its market share	4.007	1.251
Business owners adopt opportunity seeking ventures	3.975	1.169
Proactiveness helps to reach out to many existing and potential customers	3.961	1.674
Proactiveness in marketing enables SMEs to reach many customers across their niche	3.902	1.235
The enterprise anticipates future demand increases due to value addition	3.817	1.142
The body language of the entrepreneur inculcates a forward looking perspective.	3.764	1.168

of pro-activeness on growth of family owned micro and small enterprises in Kenya. The findings were as presented in Table 3.

From the findings presented in table 3, respondents were in agreement that proactive marketing strategies enhances a firm's image hence increasing its market share (M=4.007); business owners adopt opportunity seeking ventures (M=3.975); proactiveness helps to reach out to many existing and potential customers (M=3.961); proactiveness in marketing enables SMEs to reach many customers across their niche (M=3.902); the enterprise anticipates future demand increases due to value addition (M=3.817); and the body language of the entrepreneur inculcates a forward looking perspective (M=3.764). The findings were in

agreement with Kropp, Lindsay et al. (2008) who suggested that pro-activeness involves the identification and evaluation of new opportunities, and monitoring market trends; by conducting these activities, some studies discovered that proactive firms introduce new products in the market ahead of their competitors.

### Competitive Advantage on Growth

Respondents indicated the level to which they agreed with statements about the influence of competitive advantage on growth of family owned food processing enterprises in Nairobi County. The findings were as presented in Table 4.

**Table 4: Influence of Competitive Advantage on Growth**

	Mean	Std. Dev.
Competitive advantage helps in determining the price of the products to the consumers.	3.994	1.476
Competitive advantage identifies the market that the organization will be targeting	3.994	1.343
There are long term objectives geared to help the enterprise realise its mission and vision	3.988	1.475
Competitive advantage helps in determining the distribution channels so that the product reaches the consumer at the right time and place	3.955	1.546
Competitive advantage strategies helps in introducing the product to the consumers	3.836	1.426
The enterprise has a vision and mission statement	3.830	1.441

From the findings, respondents agreed that competitive advantage helps in determining the price of the products to the consumers (M=3.994); competitive advantage identifies the market that

the organization will be targeting (M=3.994); there are long term objectives geared to help the enterprise realise its mission and vision (M=3.988); competitive advantage helps in determining the

distribution channels so that the product reaches the consumer at the right time and place (M=3.955); competitive advantage strategies helps in introducing the product to the consumers (M=3.836); and the enterprise has a vision and mission statement (M=3.830). These findings concurred with Biktagirova (2016) who postulates that changes in attitudes to family traditions are noted by awareness of the need to keep traditions Entrepreneurial intention; a factor distinguishing

entrepreneurs from less innovative managers and small business owners in fact the less innovative ones, small business owners and managers often found a business primarily in order to attain personal goals and/or to provide family income.

#### Growth of Enterprises

Respondents were asked to indicate the extent to which entrepreneurial values influence growth of Food processing enterprises in Kenya. The findings were as presented in Table 5.

**Table 5: Extent of Influence of entrepreneurial Values on Growth**

Extent	Frequency	Percent
Large Extent	33	48.3
Moderate extent	21	31.0
Minimal extent	12	17.2
Not extent	2	3.4
<b>Total</b>	<b>69</b>	<b>100.0</b>

From the findings in table 5, 33(48.3%) of the respondents indicated that entrepreneurial values influence growth of Food processing enterprises in Kenya to a large extent, 21(31%) indicated that the influence was to a moderate extent, 12(17.2%) indicated that the influence was to a minimal extent while 2(3.4%) indicated that it had no influence at all. Based on these findings, it is evident that

entrepreneurial values influence growth of Food processing enterprises in Kenya to a large extent as supported by most (48.3%) of respondents.

Respondents also indicated the extent in which their business has grown in the following areas due to entrepreneurial values. The findings were as presented in Table 6.

**Table 6: Growth of Food Processing Enterprises**

	Mean	Std. Dev.
Profitability	3.902	1.235
Sales	3.836	1.207
Market share	3.830	1.300

Based on the findings in table 6, respondents agreed that profitability in their organization had increased as indicated by a mean value of 3.902; sales had increased as indicated by a mean value of 3.836; and market share increased by 3.830 units. This concurs with Coulthard (2007) that at the initial stages of firm growth, pro-activeness was a critical factor that affected firm performance improvement.

#### Inferential Statistics

A multiple regression analysis was used to determine the nature of the relationships between the dependent and independent variables.

#### Multiple Regression analysis

The study sought to determine entrepreneurial values and growth of food processing enterprises in Nairobi County. Regression findings were presented in three tables discussed hereunder.

#### Model Summary

Model summary is used to determine the amount of variations in the dependent variable that can be

explained by changes in the independent variable. In this study, the study sought to determine the amount of variations in growth of food processing

enterprises as a result of changes in willingness to innovate, risk taking, pro-activeness and competitive advantage.

**Table 7: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845 <sup>a</sup>	.714	.664	4.86022

a. Predictors: (Constant), Competitive Advantage , Innovativeness , Pro-Activeness , Risk Taking

From the findings in table 7, the value of R<sup>2</sup> was 0.714 suggesting that changes in willingness to innovate, risk taking, pro-activeness and competitive advantage can explain 71.4% variations in growth of food processing enterprises in Nairobi County. The remaining 29.6% suggested that there were other factors that were not discussed in this study but could be used to explain variations in

food processing enterprises. The findings further suggested that the variables being investigated are strongly and positively correlated as indicated by correlation coefficient (R) value of 0.845.

#### Analysis of Variance

ANOVA is used to determine the significance of the model. In this study the significance of the model was tested at 5% level of significance.

**Table 8: ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	176.218	4	44.054	12.163	.003 <sup>b</sup>
Residual	231.808	64	3.622		
Total	408.026	68			

a. Dependent Variable: Growth

b. Predictors: (Constant), Competitive Advantage , Innovativeness , Pro-Activeness , Risk Taking

From the findings, the significance of the model was 0.003. This suggested that the model generated was significant since the p-value (0.003) was less than the selected level of significance (0.05). The findings also showed that the f-calculated value (12.163), from the ANOVA table was greater than the f-critical value (F<sub>4,64</sub>=2.515) from the f-distribution tables. This suggested that the variables willingness to innovate, risk taking, pro-activeness and competitive advantage were significant determinants of growth of food processing enterprises in Nairobi County.

#### Beta Coefficients of the Study Variables

The beta coefficients values were fitted in the following Regression Model;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where,

Y = Growth of Family owned food processing companies;  $\beta_0$  = Constant term;  $X_1$  = Willingness to innovate;  $X_2$ = Risk taking;  $X_3$  = Pro-activeness;  $X_4$  = Competitive advantage;  $\beta_1, \beta_2, \beta_3, \beta_4$ , are Beta coefficients corresponding to  $X_1, X_2, X_3, X_4$  respectively;  $\varepsilon$  = Error term

**Table 9: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.310	0.151		8.675	0.000
Innovativeness	0.207	0.042	0.092	4.929	0.015
1 Risk Taking	0.287	0.054	-0.014	5.315	0.005
Pro-Activeness	0.172	0.056	0.178	3.071	0.027
Competitive Advantage	0.374	0.051	0.249	7.333	0.003

a. Dependent Variable: Growth

From the findings, the following regression equation was fitted;

$$Y = 1.310 + 0.207X_1 + 0.287X_2 + 0.172X_3 + 0.374X_4 + \epsilon$$

From the above equation, it can be seen that while all other variables are held to a constant zero, Growth of Family owned food processing companies was at a constant value of 1.310.

The findings also showed that innovativeness had significant influence on growth of food processing companies ( $p=0.015<0.05$ ). The findings further showed that innovativeness has positive influence on growth ( $\beta=0.207$ ). These suggest that innovativeness positively and significantly influences growth of Family owned food processing companies. This suggested that a unit increase in innovativeness will result to an increase in growth of food processing enterprises in Nairobi County.

On risk taking, the study established that risk taking significantly influences growth of food processing enterprises in Nairobi County ( $p$ -value  $=0.005<0.05$ ). Furthermore, the findings show that risk taking has a positive influence on growth ( $\beta=0.287$ ). These suggested that risk taking positively and significantly influences growth of Family owned food processing companies. Therefore, a unit increase in risk taking will result to an increase in growth of Family owned food processing companies in Nairobi County.

The findings also showed that pro-activeness has significant influence on growth of food processing companies ( $p=0.027<0.05$ ). The findings further shows that innovativeness has positive influence on growth ( $\beta=0.172$ ). These suggest that pro-activeness positively and significantly influences growth of Family owned food processing companies. This suggests that a unit increase in pro-activeness will result to an increase in growth of food processing enterprises in Nairobi County.

Finally, the findings showed that competitive advantage significantly influences growth of food processing enterprises in Nairobi County ( $p$ -value

$=0.003<0.05$ ). The findings further showed that competitive advantage has a positive influence on growth ( $\beta=0.374$ ). These suggest that competitive advantage positively and significantly influences growth of Family owned food processing companies. Therefore, a unit increase in competitive advantage will result to an increase in growth of Family owned food processing companies in Nairobi County.

## CONCLUSIONS AND RECOMMENDATIONS

The study found that innovativeness has significant influence on growth of food processing companies. The study further found that innovativeness has positive influence on growth. These findings suggested that innovativeness positively and significantly influences growth of Family owned food processing companies. Therefore, based on the findings, the study concluded that a unit increase in innovativeness will result to an increase in growth of food processing enterprises in Nairobi County.

On risk taking, the study established that risk taking significantly influences growth of food processing enterprises in Nairobi County. Furthermore, the study found that risk taking has a positive influence on growth. These findings suggested that risk taking positively and significantly influences growth of Family owned food processing companies. Therefore, from the study findings, the study concluded that a unit increase in risk taking will result to an increase in growth of Family owned food processing companies in Nairobi County.

The study also found that pro-activeness has significant influence on growth of food processing companies. The study further showed that innovativeness has positive influence on growth. The study finding suggested that pro-activeness positively and significantly influences growth of Family owned food processing companies. The study concluded that a unit increase in pro-activeness will result to an increase in growth of food processing enterprises in Nairobi County.

Finally, the study found that competitive advantage significantly influences growth of food processing enterprises in Nairobi County. The study further showed that competitive advantage has a positive influence on growth. These findings suggested that competitive advantage positively and significantly influences growth of Family owned food processing companies. Based on these findings, the study concluded that a unit increase in competitive advantage will result to an increase in growth of Family owned food processing companies in Nairobi County.

Innovativeness was seen to have positive significant influence on growth of Family owned food processing companies in Nairobi County. The study therefore recommends family owned businesses to increase their acceptance of innovation; this is by implementing new ideas and products as well as services based on the changing customer and market trends; they should also embrace new technology. The study further recommends family owned businesses to employ creative employees because creativity is source of innovativeness.

Increase in risk taking propensity was seen to positively influence growth of Family owned food processing companies. The study recommends family owned businesses to be more risk takers. This is because risk-averse firm will avoid doing something that provides uncertain yield to changing environment; this behaviour will result in weaker performance since the firm is not willing to capture market opportunities.

Pro-activeness was found to positively and significantly influence growth of family owned food

processing companies. The study recommends managers to be pro-active and ensure that they identify and evaluate new opportunities, and monitor market trends; this will enable the company to introduce new products and services to the market and therefore be ahead to their competitors.

Competitive advantage was seen to positively and significantly influence growth of family owned food processing companies. The study recommends management of family owned businesses to develop long term objectives for their companies; ones that can guide the company in realising their mission and vision. It is also important to ensure that the strategies embraced by the company for competitive advantage help in determining the distributions channels for new products and services and also helps in introducing them to the market.

#### **Suggestions for Further Studies**

The main objective of this study was to determine entrepreneurial values and growth of food processing enterprises in Nairobi County. The study was conducted in Nairobi County; there is need to replicate the study in other counties to facilitate comparison and generalisation of research findings. The study also recommends a study to be conducted in other sectors of the economy such as service industry. Further, the study recommended a study to be conducted on the influence of entrepreneurial values on financial performance of food processing enterprises in Nairobi County.

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