# DETERMINANTS OF GROWTH OF ENTREPRENEURIAL PROJECTS IN PRESBYTERIAN CHURCH OF EAST AFRICA IN NAIROBI COUNTY

**BY:**

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## DECLARATION

I hereby declare that this dissertation is my original work and has not been presented for a degree at any other university.

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This research project has been submitted for examination with my approval as the candidate's University Supervisor.

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## DEDICATION

This dissertation is dedicated to my wife Mrs. Mary Wangari Njau for her love, encouragement, tolerance and support. Without her by my side this work would have been a bigger challenge.

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## LIST OF ABBREVIATIONS AND ACRONYMS

**MSME:** Micro, Small and Medium Enterprises

**OAYEC:** Ontario Association of Youth Employment Centers

**PCEA:** Presbyterian Church of East Africa

**SME:** Small and Medium Enterprises

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## ABSTRACT

Entrepreneurial projects are strategic business units providing sources of income for the people involved in them as well as promoting the growth of a country's economy. The aim of this study was to examine the determinants of growth of entrepreneurial projects in the Presbyterian Church of East Africa of Nairobi. The specific objectives were; to determine impact of financial accessibility on the growth of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi, to examine the impact of managerial training and competence on the success of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi, to establish the effect of education level on the success of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi and to determine the effect of budgeting on the growth of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi. This is achieved by applying three theories: Cantillon's Theory, Marshall's Approach for Entrepreneurship, and Stakeholder's Theory. The research design used in the study was descriptive research. The sample of the target population was 100 staffs. A stratified random sampling technique was used during the sample selection process. The management was divided into the top management and the middle management and lower level staffs. The data collection method used for primary data collection was self-administered questionnaire via email, or pick and drop method to the relevant staff members in different church projects. A pilot study was conducted at the PCEA Bahati Martyr's Academy where staffs were selected and asked to participate in the study. The testing procedure for reliability was a test-retest method as a data analysis procedure. This was conducted by administering the instruments to the respondents in the data collection process followed by administering the instruments to the same respondents after one week. Internal consistency was measured by the use of Cronbach's Alpha (α) where 0.7 was deemed appropriate. The analysis of the quantitative data was achieved by the use of Statistical Package for Social Sciences (SPSS) version 20. The study findings were represented by the use of qualitative information and quantitative information in the forms of tables, frequencies and percentages. The study concluded that there is a strong positive relationship between financial accessibility and growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. Similarly, the study concluded a great influence of level of education on growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. The study concluded that managerial training and competence greatly influences and growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. The study further concluded that budgeting affects the growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County greatly. The study recommends that the Presbyterian Church of East Africa should concentrate on enterprise zone, ease technology, and strong marketing networks for continued growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County.


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# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

According to a study by McGrath and MacMillan (2000), there has been increased relevance of entrepreneurial projects due to their importance in contributing to the achievement of social development, economic development, and political stability of countries in which they are practiced. The significance of entrepreneurial projects is basically observable due to their role in providing priced products, and services to people. A report by the Micro, Small and Medium Enterprises (MSME) Development Act of 2006, indicated that a small enterprise is one whose capital investments are less than fifty thousand U.S. dollars. A small enterprise can be in the form of an investment in machinery that costs fifty thousand US dollars but less than one million U.S dollars. A medium enterprise represents an investment in plant and machinery at a cost of more than one million U.S dollars but less than two million U.S dollars (Cheston & Kuhn, 2009).

This study focused on four determinants of growth of entrepreneurial projects. The first one is financial accessibility. Inaccessibility to finance for the management of enterprises is a major constraint encountered by entrepreneurs in the attempt to increase the growth of their enterprises. Secondly, managerial training is important in the performance of daily activities since one should always know what they are doing in the business (Schoof, 2006). Small and medium size enterprises suffer the greatest bout when led by enthusiastic managers that lack the simple principles of management. On the other hand, level of education is key to the growth of entrepreneurial projects. Elevated educational levels of the managers and the employees reduce various risks within a business.

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Similarly, budgeting concerns each department within an organization because people have to account for the use of monies. Poor planning procedures reflected through haphazard budgets reveal that such entrepreneurs have much to learn when matters of budgeting arise.

Today, Kenya faces the challenge of inability to ensure a significant part of its population is involved in productive activities that can be effective in improvement of their well-being and contribute to the development of the economy. If such improvements are made, it will be possible to achieve economic development and an improvement in the quality of lives of all Kenyans. It will also result into a reduction in unemployment which is a problem that is faced by many Kenyans. Therefore, there is the need for engagement in entrepreneurial projects in order to promote the productivity of the economy (Baron, 2008). There are a number of determinants of growth of entrepreneurial projects in Kenya such as human capital and governance policies which have the ability to affect the emergence of enterprises. Studies conducted on SMEs have not examined the determinants of growth of entrepreneurial projects and the ability to achieve success such as high profitability and competitiveness. This paper examines the determinants of growth of entrepreneurial projects with the focus on the projects carried out by the Presbyterian Church of East Africa in Nairobi. These determinants include; financial accessibility, managerial training and competence, education level and budgeting

While the main objective of the church is to preach the gospel and promote obedience to the teachings of Christ, most churches have gone beyond the practice of teaching the word of God to the involvement in entrepreneurial activities as was said by Christ himself, " "Go to the world and profess to all nations, baptize the people, in the name of

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the Father, and of the Son, and of the Holy Ghost: Inform them about my commandments and I will protect you until the end of the world. Amen" (Matt. 28:19-20). This mission has been interpreted in different ways by churches in Kenya by ensuring its objectives are fulfilled in teaching the congregations. The main activities that churches have engaged in include; door-to-door evangelism, arranging for Christian group meetings, and the provision of reading materials such as prayer books and Bibles for free to their followers. In a number of instances, these strategies have resulted into beneficial outcomes for churches and there has been an increase in the numerical growth of church memberships.

In addition, churches have observed the need to be economically empowered as a measure of achieving their mission of efficiently serving their congregations. Most of the churches have observed that there is the need to increase their incomes in addition to other sources of income such as offerings and donations. This has resulted in continued efforts of churches to create entrepreneurial projects such as hotels, learning institutions, transport companies, and crop production projects. This is an effective way of raising funds to meet the needs of the Church. Most churches have been dependent on offerings and donations as the main sources of incomes from their members. Whenever they experience financial needs that are beyond their capacity to meet, churches have used different means of getting additional funds such as fundraisings and motivating members to make personal contributions and offerings in order to pool their resources together (Magagnini, 2013).

On the other hand, churches have embarked on entrepreneurial activities as methods of obtaining additional funds that enable them boost their financial capabilities as well as creating opportunities of employment for their congregations. Notable among these



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projects are the ones carried out by the PCEA in Nairobi County namely; the PCEA Umoja primary school, Kayole primary school, Kayole bus project, Kariombangi primary school, Nairobi North bus project, Githurai Kimbo academy, Kasarani primary school, Mwiki tents and chairs for hire, Kariombangi North water project, the PCEA Lay training and Conference Center Zambezi, the Presbyterian university of east Africa, PCEA Kikuyu Mission hospital, Bahati Martyrs' academy, Eastleigh Community centre, Dandora health centre, Makadara water project, Milele guest house south c, St. Andrews complex Hall and PCEA pipeline rental houses and conference rooms all located in Nairobi county from different presbyteries. Whereas the PCEA Lay Training and Conference Centre, the Presbyterian University of East Africa and the Kikuyu Mission Hospital are not located within Nairobi County, they are managed by the PCEA Head Office which is located in Nairobi South C estate.

### 1.1.1 Entrepreneurial Projects

According to a study by Baron (2008), the concept of entrepreneurship in organizations started in 1970s when the managements encountered challenges in achieving their ambitions (Kanter, 2006). Furthermore, a study by Kanter (2006) shows that organizational evolution resulted from increased innovation and a change in the business activities that required the implementation of creativity and flexible working conditions which were bureaucratic in a number of organizations. Most organizations have embarked on projects and team-based activities as measures of achieving highly motivated workforce as well as the ability of employees to act according to their discretion in a process that prevents bureaucracy that was experienced in decision making processes in most organizations (Cheston & Kuhn, 2009). With the increase in the need

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to participate in social work in most projects, there is increased interest in international projects that contribute to a spread in the management knowledge and contribute to capital growth and the achievement of organizational endeavors.

Entrepreneurship has been described as the ability to take calculated risks as well as the development of confidence that the target entrepreneurial projects will be achievable after the commencement of business operations. It has been described by baron (2008) as the process of perceiving the need for a particular activity and bringing manpower and capital that are important in their achievement. Entrepreneurship is made up of performance of activities in the course of a business in a routine manner and has been considered to be a phenomenon that requires effective leadership. During an entrepreneurial activity, the main activities include; taking initiative to commence a particular business activity, organizing social and economic requirements that can contribute to the conversion of resources and situations to a practical outcome and the ability to accept failure in case it occurs (Baron, 2008).

### 1.1.2 Presbyterian Church of East Africa (PCEA)

The PCEA is a Christian denomination that started its work as a religious organization under the leadership of Scottish Missionaries including, Sir. William and Mr. Alexander Low Bruce. They settled in the Kamba and Maasai land in Kenya and later settled in Kikuyu land. In Kikuyu land, they created a mission center at Kikuyu and Tumutumu and later set up stations in Chuka and Chogoria. In each station, they created a school, a hospital, and a church. This is due to the need to ensure they were holistic in the manner in which they address the needs of their congregations (Magagnini, 2013).

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There was increased membership of the mission church with the support from the missionaries and in 1946, it was named the Presbyterian Church of East Africa (PCEA) resulting into its full independence from the ownership by missionaries and fiancial independence under the slogan *'Jitegemee'*. The church has grown over the years and has a membership of approximately 4 million who worship in over a thousand congregation centers in different locations (Hecht, 2005). The PCEA Church is located in five regions namely: Eastern Region, Mt. Kenya Region, Central Region, Rift Valley region, and Nairobi Region.

### 1.2 Statement of the Problem

Cheston and Kuhn (2009), noted that entrepreneurship is the motivating factor for increased growth of economies in most countries and a factor that contributes to the creation of employment opportunities and generation of revenues, reduction of poverty, and wealth creation in states. The concept of entrepreneurship has been identified as a major contributor to the theory of economic development (Cheston & Kuhn, 2009) and has been of significant benefit to many economies. It has been attributed to be beneficial in the achievement of economic growth objectives and creation of employment opportunities.

The involvement in entrepreneurial projects within the PCEA has been attributed to increased income capability of the church, enabling it to meet its budgetary needs. These entrepreneurial efforts have resulted into increased benefits in terms of revenue generation. On the contrary, it has been established that projects carried out by the PCEA are not dynamic and have not been effective in contributing to a rational growth according to the expectations of a normal project. A number of them have been affected



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by the inability to achieve their financial performance objectives which have contributed to the possibility of failure of those projects. In some projects, churches have undergone losses of investments and lack of capacity to meet their financial needs when they are due, resulting into court cases due to failure to pay their creditors (Baumol, 2005).

There are a number of studies that have been conducted in Kenya with regards to the role of entrepreneurial projects and the factors affecting their sustainability. A study by Mutuku (2014) focused on factors impacting the growth of entrepreneurial activities of women groups in Mbooni Constituency in Makueni County. It was found that there are a number of challenges encountered by women entrepreneurs such as difficulty to access finances, their gender roles in the society which limit participation in business and low educational qualifications.

According to a study by Wariguru (2012), on factors influencing entrepreneurs' performance in Kenya, women involved in entrepreneurial activities encounter the threats of inability to access financial support services such as loans which they can use to start enterprises. According to a study by Angelina (2015) on the factors influencing the success of Youth entrepreneurial organizations in Langata Constituency in Nairobi County in Kenya, it was concluded that most enterprises face the challenge of inability to access financial support services such as loans.

From the studies conducted above, there has been little effort to address the determinants of growth of entrepreneurial projects within the churches in Nairobi. It is necessary that these determinants of growth of entrepreneurial projects should be investigated in view of those carried out by the Presbyterian Church of East Africa in Nairobi. Presently, few studies have been conducted to determine the contributing factors to such setbacks in a

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more comprehensive manner. This has prompted the need to conduct this study as a measure of establishing the determinants of growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County.

## 1.3 Objectives of the Study

### General Objective

To establish the determinants of growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County

### Specific Objectives

i. To determine the effect of financial accessibility on the growth of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi.
ii. To examine the effect of managerial training and competence on the growth of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi.
iii. To establish the effect of education level on the growth of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi.
iv. To determine the effect of budgeting on the growth of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi.

## 1.4 Research Questions

The study will be guided by the following research questions:

i. What is the influence of financial accessibility on the growth of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi?

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ii. What impacts does managerial training and experience have on the growth of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi?

iii. To what extent does the level of education influence growth of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi?

iv. To what extent does budgeting influence the growth of entrepreneurial projects within the Presbyterian Church of East Africa in Nairobi?

### 1.5 Limitations of the Study

The limitation of this study was that it mainly focused on projects carried out by the Presbyterian Church of East Africa branches in Nairobi County. Consequently, the research was limited in its findings by providing only an insight regarding the church projects which cannot be used to interpret other entrepreneurial projects. The researcher encountered the challenge of conducting effective studies because of inadequate studies that that have been conducted on entrepreneurial projects in a church setting in developing countries to obtain relevant information that meets the Kenyan scenario.

### 1.6 Significance of the Study

The findings of the study is helpful in enabling the PCEA church management understand the relevance of entrepreneurial projects in the achievement of church growth objectives and an understanding of the challenges that are likely to be encountered so that measures can be put in place to address them. There is the need to understand the legitimacy of entrepreneurial projects and its mission in the implementation of the right managerial strategy for promoting entrepreneurial skills. The study findings is important

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to entrepreneurial managers in church organizations in terms of its role in providing directions for day to day procedures of managing its activities.

The outcomes of this study is important in providing a guide to the method of policy formulation in a manner that sensitive forces influencing church entrepreneurial activities are addressed. Furthermore, the outcomes of this study is important in making strategic decisions that would be implemented in the management of entrepreneurial projects and addressing then factors affecting them. When this is put into consideration, project growth objectives would be achieved.

This study is important to academicians because it will provide additional literature on the topic of business entrepreneurship. It will also act as a stimulus for additional studies to improve the present understanding of entrepreneurial activities of religious organizations in Kenya. The results of this study would be important to the researchers and scholars in providing additional knowledge of the concepts of entrepreneurship. It would provide an insight into areas that researchers need to focus on in order to promote the understanding of the concept of church entrepreneurship.

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### 1.7 Definition of Terms

**Entrepreneurship:** is the process of designing, launching, and running a new business, i.e. a startup company offering a product, process or service (Kanter, 2006).

**Project:** is a collaborative enterprise, project that is carefully planned (Baron, 2008)

**Growth:** it is a positive change in size, and/or maturation of enterprise projects, often over a period of time (Schoof, 2006).

**Presbyterian Church:** it is a mainline Protestant Christian denomination (Magagnini, 2013)

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# CHAPTER TWO: LITERATURE REVIEW

## 2.1 Introduction

This chapter examines the literature describing the determinants of growth of entrepreneurial projects according to existing literature in scholarly articles, books and journals. This is achieved by examining areas such as theoretical review, empirical review, and conceptual framework.

## 2.2 Theoretical Review

This section provides theories that enable understanding of the determinants of growth of entrepreneurial projects. The theories examined include; Marshall's Approach to Entrepreneurship theory, Cantillon's theory and Vroom's Expectancy Theory.

### 2.2.1 Marshall's Approach to Entrepreneurship Theory

This is a theory that was introduced by Alfred Marshall in 1879. Its objective is to demonstrate that markets are strong during perfect competition and there is no labor exploitation and everyone has the ability to get benefits from marginal inputs to production. In a concept of zero profit equilibrium, he illustrated the impact of profit incentives on the ability of organizations to develop innovative techniques that promote their production efforts. A study by Loasby (1982), shows that small variations in the design of operations of businesses can be important in enabling businesses overcome competition and increase their production and competitiveness in their areas of specialization.

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The approach used by Marshall to entrepreneurship theory has encountered criticism by manufacturers to create a new demand by developing a perception of what they have never experienced or thought of having previously; but which they are more likely to develop a likeness for if suggested for them. This indicates that creating of a new set of products and techniques provide entrepreneurs with competitiveness and control in a particular market by being able to produce a particular product in a more efficient manner and start selling earlier than its competitors (Foss, 2007). The theory is contradictive because it opposes the view that a competitive market is where there are a number of large organizations which compete with one another in order to meet the needs of their target consumers. In a competitive market situation, there is no particular consumer, groups of consumers, who have an influence on the manner of operations of the markets. They also do not have the individual capacity to determine the price changes for goods and services, and the amount that will be exchanged. Competitiveness of markets will be achieved under particular circumstances.

A study by Loasby (1994) shows that these factors are determinants of the success of an entrepreneur. Marshall is attributed to the formation of the concept that the entrepreneur is an equilibrium creator. He illustrated that equilibrium results from the acquisition of perfect knowledge of the existence of free entry and exit into a particular entrepreneurial practice. The main concern of Marshall (1949) was demonstrating that markets clear assumption in a case perfect competition and that there exist no profits opportunities and that labor exploitation does not arise in a production process because every entrepreneur earns equal margin from the production activities and national income.

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This theory is important due to its role in promoting the understanding of the relationship between capital availability and labor in an entrepreneurial activity. An entrepreneur can achieve dominant position in a production process by possessing superior managerial capabilities and ideas which enable projects implementation. Consequently, this superior ability is the contributing factor to high income generation among entrepreneurs which also contributes to a high national income. The achievement of entrepreneurial success for the Presbyterian Church of East Africa in Nairobi requires a cooperative relationship between capital and labor to be put in place. During the analysis of the normal business activities, Holcombe (2007) showed that businessmen have higher enterprising characteristics compared with others. The objective of this distinction is that the formal analysis of a state does not provide a potential understanding to the concept of economic development.

### 2.2.2 Cantillon's Theory

This is a theory that was developed by Richard Cantillon (1755), and later adopted by Murphy (2006). According to this theory of entrepreneurship, entrepreneurs operate by taking risks under uncertain situations. They are involved in the purchase of goods at a particular fixed price at present and selling them at a different price in future. It does not consider an entrepreneur as a factor of production, but as an agent involved in taking risks and equilibrating supply and demand in the economy. While a number of studies support the view that entrepreneurship involves ensuring economic growth and progress, a study by Holcombe (2007) shows that it also involves the creation of information, knowledge, and wisdom in the achievement of economic growth. While Holcombe (2007) does not illustrate the association between entrepreneurship and economic

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development, he does not illustrate the importance of entrepreneurship in the achievement of economic growth.

The implementation of the theory to the case is that there is an understanding of the role of entrepreneurship but it does not put the concepts of entrepreneurship within its basic framework of economic analysis, specifically the mainstream economic analysis and growth. A study by Hébert and Link (2006), there is a higher reward for skilled labor compared with unskilled labor due to the existence of an opportunity cost of time in the acquisition of skill. This provides an insight in the entrepreneurial projects of the Presbyterian Church of East Africa in Nairobi by providing an advice regarding the significance of implementing skilled labor in the management of its entrepreneurial activities. Within the context of skilled labor, there will be a variation in the amounts of income on the basis of cost of training and the risks in the profession, or the quantity of trust that can be placed on the employee to perform a particular task.

A study by Ebner (2005) shows that there is a close relationship between risks and rewards, Consequently, the nature of training to acquire particular skills in the present entrepreneurial environment must be offset with an increase in labor in future. An entrepreneur in artisanship is at high risk of experiencing lower market wages might be experienced in their professions in case of the provision of training to other artisans in a similar activity. Consequently, the number of artisans in a particular area of work is compared with demand so that if there is a higher number of them in a particular location, there will be a fall in income and some of them might be forced to abandon their work in search of other lines of work.

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The significance of Cantillon's theory in this case is its emphasis on function rather that the entrepreneur's personality. His idea covers a number of areas of application due to its applicability in different areas of business such as production, distribution, and exchange. In most entrepreneurial projects that are carried out by the Presbyterian Church of East Africa in Nairobi, the success of the projects is determined by the ability of the entrepreneurs to possess skills in production, distribution, exchange of products and services, and quality output. They should also incorporate entrepreneurial activities within the supply chain during the production of raw materials to the management of retail distribution channels for the finished products. This theory of entrepreneurship has been described narrowly but is broadly relevant to entrepreneurs. Any person who invests by acquiring resources and employing them with the objective of selling a product or service in the future is described as an entrepreneur (Ebner, 2005).

### 2.2.3 Stakeholders Theory

Stakeholder's theory was originally detailed by Freeman (1984), in the book of Strategic Management. The stakeholder theory is a theory of organizational management and business ethics that addresses morals and values in managing an organization. A stakeholder approach identifies and models the groups which are stakeholders of a corporation, and both describes and recommends methods by which management can give due regard to the interests of those groups. It attempts to address the "principle of who or what really counts.

Charles (2003), criticized stakeholder theory for assuming that the interests of the various stakeholders can be, at best, compromised or balanced against each other. Charles argues that this is a product of its emphasis on negotiation as the chief mode of dialogue for



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dealing with conflicts between stakeholder interests. He recommends conversation instead and this leads him to defend what he calls a 'patriotic' conception of the corporation as an alternative to that associated with stakeholder theory. According to Mansell (2013), by applying the political concept of a 'social contract' to the corporation, stakeholder theory undermines the principles on which a market economy is based. A valid criticism is also that some groups are excluded, originally as they had no economic impact on the business and now as the concept takes an anthropocentric perspective.

The theory is important to the study because it shows that every legitimate person or group participating in church projects, do so to obtain benefits, and that the priority of the interests of all legitimate stakeholders is not self-evident (Mansell 2013). Mansell (2013), further argues that, although stakeholder theory is descriptive and instrumental, it is more fundamentally normative. Stakeholders in church projects are defined by their interests and all stakeholder interests are considered to be intrinsically valuable. Stakeholder theory is managerial and can be used to recommend attitudes, structures, and practices in church projects and requires that simultaneous attention be given to the interests of all legitimate stakeholders.

## 2.3 Empirical Review

This section provides an analysis of studies according to different researchers, scholars, analysts and authors on factors affecting the growth of entrepreneurial projects.

### 2.3.1 Financial Accessibility and Growth of Entrepreneurial Projects

According to a study by Charney and Libecap (2000), accessibility to finance is a major challenge encountered by most entrepreneurs. Most young entrepreneurs encounter



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difficulties in financing their businesses during the start-up stage as noted by Schoof, (2006).

According to Macharia and Wanjiru (1998), inaccessibility to finance for the management of enterprises is a major constraint encountered by entrepreneurs in the attempt to increase the growth of their enterprises. Studies conducted in NGOs and small-scale enterprises in a garment-producing company in Nyeri and Nairobi resulted into the observation that factors contributing to lack of capital availability to women include: inability to get (seed) capital, lack of knowledge regarding credit schemes, high interest rates on loans, long duration of loan application and approval, and lack of collateral as a form of security for their loans. These factors have prevented their ability to start entrepreneurial projects within their churches and communities. In a similar manner to other enterprises, church projects experience a number of difficulties in accessing credit due to erroneous perception that they may be risky borrowers, and due to the high administrative costs of making small loans.

According to a study by Sohl (2010), most young people are of the view that the biggest challenge to setting up entrepreneurial projects is limited access to financial services. In this study, there was a greater challenge of inaccessibility to financial services compared with administrative procedures or unfavorable economic environment for the operation of a business enterprise. Other studies conducted have supported the outcomes of this study. A study conducted in 2000 by the OAYEC (Ontario Association of Youth Employment Centers), in a survey of youth self-employment in Ontario Canada, it was found that 40 per cent of entrepreneurs started their businesses without being able to access finances and capital.

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According to a study by Starcher (2008), financial assistance is important for entrepreneurs during launching of their businesses and they can achieve this by accessing loans from banks or savings accounts. A number of upcoming businesses in developing countries experience the challenge of lack of access to funds, because of their concentration in poor rural environments or locations that have fewer chances of accessing financial assistance (Starcher, 2008). The entrepreneurships that are greatly affected by inaccessibility to financial services are startup enterprises. Inaccessibility to external sources of funds by the upcoming entrepreneurial projects is mainly contributed by their inability to provide tangible financial security.

According to a study by Wasonga (2008), on the challenges affecting small and medium enterprises (SMEs) in Fina Bank in Kenya, it was found that inability to access capital was a major challenge that affected small and medium enterprises. A research was conducted by Muua (2009) on the importance of training for skills in management of SMEs involved in the sales of manufactured products originating from Kenya. The study was a survey on marketing strategies used by entrepreneurial companies involved in the sales of footwear by conducting a case study at Makueni District. Another study by Carree & Thurik (2003) resulted into the finding that increased access to finances can be effective in achieving entrepreneurial activity. Financing of individual businesses takes place in four instances; financing from personal savings of the entrepreneur, acquisition of loan from a commercial bank, and acquisition of loans from government agencies.

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### 2.3.2 Managerial Training and Experience and Growth of Entrepreneurial Projects

Training remains a vital tool during recruitment, but most managers lack its basic principles. How then would a manager assure the organization that he or she could impart the knowledge and skills accrued in the business field over the years? Managerial training is important in the performance of daily activities since one should always know what they are doing in the business. Small and medium size enterprises suffer the greatest bout when led by enthusiastic managers that lack the simple principles of management.

In the study, factors influencing the growth of entrepreneurial ventures among women in Mbooni constituency in Makueni county, Mutuku (2013), found that the central and county governments encouraged training among women to come up with modalities of helping women entrepreneurs financially to be on equal footing with their male counterparts for the benefit of the Country's economic well-being According to (Brana, 2008), the human attitude is a key element in the achievement of progress within a company. However, attitudes without skills cannot sustain an entity irrespective of the fast growth levels it exhibits. Training is vital when combined with passion, and the right attitude. The three can assist a manager in planning and reducing the risks that the company faces over the long-term. Each business quests for sustainability and relevance, but they can only attain the same when the managers prepare effectively for the challenges.

It takes a proper analysis of Wanjohi and Mugure (2008), for one to determine that educational skills are highly relevant in the management of a growing enterprise. The researchers, compliment the works of Nzioka (2005), who believes that education is the backbone of business management. According to him, lack of education holds back the



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performance of a business. Without education, it is impossible to understand the key performance indicators in any business environment.

Nzioka (2005), equally detailed that education empowers an individual with the right management skills, control, and planning capabilities. As such, a person can exercise the best staffing policies for the employees to apply their talents within the business environment. Businesses vary in design, capability, and management styles. It explains why training is critical for the various human resources to adjust easily to the new environment. A manager cannot understand the significance of training in reducing errors and increasing efficiency without going through a similar program. Otherwise, (King & McGrath, 2002) dispels fear that management without training is a recipe for ruining the organization. Contrary to popular perception, even managers need motivation (Baumol, 2005) because they are equally human.

### 2.3.3 Level of Education and Growth of Entrepreneurial Projects

According to Negas (2006), edification is a principle component in the human life. People have the quest to know something new every day, but they can only do so through education. Bennet (2007) believes that it is impossible to possess the right critical skills as a manager without basic education. The researcher defined management as the process of deploying the right people to fill in existing human resources positions. In the 21st century in which Silicon Valley Managers have to interact with the millennial generation, it is apparent that such people have to acquire critical thinking skills. People live in a world in which academic certificates do not prove anything beyond the skills, expertise, interest, and experiences of an individual. It takes an intellectual individual to decide how

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to place a talented employee in a certain department or promote a worker to a different rank.

An analysis of such a business environment drew Krueger (2000) to the study of enterprise awareness. The learning experience is responsible for increasing the literacy standards of the young people towards entrepreneurship. It goes beyond theoretical concepts learned in schools to the practical skills acquired through on-job and off-job training. The team of young employees goes through simulation and aptitude tests right from the high school stage as done by Samsung. The mentorship program is then elevated to a different level as education advances. The rationale is to help the students in developing a connection between the theories they learn in class and the practical nature of things within a business environment. (Schoof, 2006) affirms that such individuals grow with the eagerness to participate in problem-solving exercises because of the creative abilities they possess. Elevated educational levels of the managers and the employees reduce various risks within a business.

Entrepreneurship is about risk taking, and such concerns equally have something to do with the recruitment strategies adopted by an entity. According to (Green, 2003), banks always have the habit of assessing the business risks of an entity before issuing a loan. They look at the audit reports of the firm to determine its performance over a certain period. Without proper training, an organization cannot perform as anticipated. Consequently, it will lack the basic skills of documenting the right audit report that would convince the bank to offer the loan. In a business environment, the managers and the employees interact with different sets of people that have interest in the commercial entity. A well-educated individual always knows how to approach such stakeholders with

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the right marketing attitude. On the other hand, a person that lacks basic educational skills would never understand the value of customer relations in sustaining the business over the long-term.

Negash (2006), assessed different economies across the globe and realized that entrepreneurship is the driving force behind financial success today. Capitalist countries create room for perfect competition because they believe in democracy. They increase access to different services for business to thrive, and most entities take advantage of such opportunities. They reduce the high rates of unemployment in various countries and they create room for personal growth. However, most of the startups are likely to fail because the managers lack basic education. Most of the managers would like to achieve growth over a short period yet they put in very little effort to sustain such anticipated levels of development. Negash (2006) recommends a self-audit of the entrepreneur, the business, and the environment of operation before one expects the business to thrive. Enterprise education increase's one interest in research and makes an individual aware of the factors that can propel or affect the growth of any business within the competitive environment. Hence, people that can access educational materials about entrepreneurship and effectively use them have high chances of managing successful enterprises.

### 2.3.4 Budgeting and Growth of Entrepreneurial Projects

At the end of each financial year (FY), each firm should be capable of accounting for the use of different resources. The rational is to assess the impact of financial resources on the growth of departments within the business. Each business is unique and it utilizes resources differently, but at some point, it has to plan for the execution of projects (Nouri

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& Parker, 2008). Budgeting concerns each department within an organization because people have to account for the use of monies. For instance, an NGO funded by an international interest group always needs a financial report of the company to understand how it uses money. Such resources might be used for campaigns and projects that could require reimbursement of the surplus for reinvestment or a deficit might occur. Hence, the entity has to keep a cash flow statement that indicates the far it came and where it intends to go. In 2006, (Mirero & Masaviro, 2008) conducted a survey of the Kenya Rural Enterprise Programmed bank to determine the greatest challenge it faces when financing various businesses.

According to Waruguru (2012), K-Rep faced the biggest challenge of financing poorly budgeted projects. In most cases, such institutions ran out of money at the inception stage leaving behind "white elephant" projects. It means that K-rep has to follow up such issues legally and in the process, lose money to the lawsuits to track the businesses that sought financial assistance from them. With a fast growth rate of entrepreneurs in Kenya, Microfinance institutions offer financial solutions to such businesses with a hope to recover the monies profitably. Poor planning procedures reflected through haphazard budgets reveal that such entrepreneurs have much to learn when matters of budgeting arise. It is impossible to make the best budget when one lacks the basic understanding of the financier or research about other businesses that benefitted from similar projects in the past. Joshi (2003) affirmed that small and medium size businesses must take budgeting seriously because it reflects their ability to become sustainable in the future. The UAE depended much on the SMEs before it became an economic nucleus, because the emirates had a budget for vision 2020 to ensure that the region transitioned well from

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its overdependence on oil to other businesses such as real estate and tourism. Thus, proper budgets are critical aspects of growth for any business.

### 2.4 Summary of Literature Review and Research Gaps

The Kenyan business environment is unique because entrepreneurs apply different techniques to attain their objectives. Therefore, it is impossible to find a single way of defining how people run businesses in Kenya. Currently, most literature focuses on the growth of enemies, and transition from the employment-based system to a self-employment structure. One of the problems addressed by (Libecap, 2000) is that young people struggle to access credit facilities to acquire capital for the startup businesses. The truth is that young people leave higher learning institutions with the hope of finding credible employment opportunities and proper placement options. Most of them acquire loans from the Higher Education Loans Board making it impossible for them to access credit facilities. The frustrating endeavors limit their interest in additional costs such as training. Hence, most of them start businesses because fellow entrepreneurs were successful in doing the same. Some of them forget that such individuals most have the support of investors that believe in the quality of their products and services.

Macharia & Wanjiru (1998), detailed factors that limit the women's ability to access credit facilities in Kenya and they proved that most of them start from scratch. In essence, they do not have the seed capital to startup the business and most of them do not find time to investigate the existence of credit schemes such as the Kenya Women Finance Trust. Unlike the young college graduates that are ambitious and do not go for further training about the businesses they seek to initiate, the women fear high interest rates even if they can access loans that the young people often seek. Some of them feel that loan

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application is a hectic exercise, and this draws attention towards the concept of education deficit in business management. Negash (2006) reinforced that education remains overly vital in entrepreneurship because it can assist such women in valuing issues such access to credit facilities and seeking training in the business before venturing in the same area. Further, the learners can acquire prioritization skills to determine the best way to implement the budget as (Nouri & Parker, 2008) affirms.

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## 2.5 Conceptual Framework

The conceptual framework describes the relationship shared between the independent and dependent variables in the study.

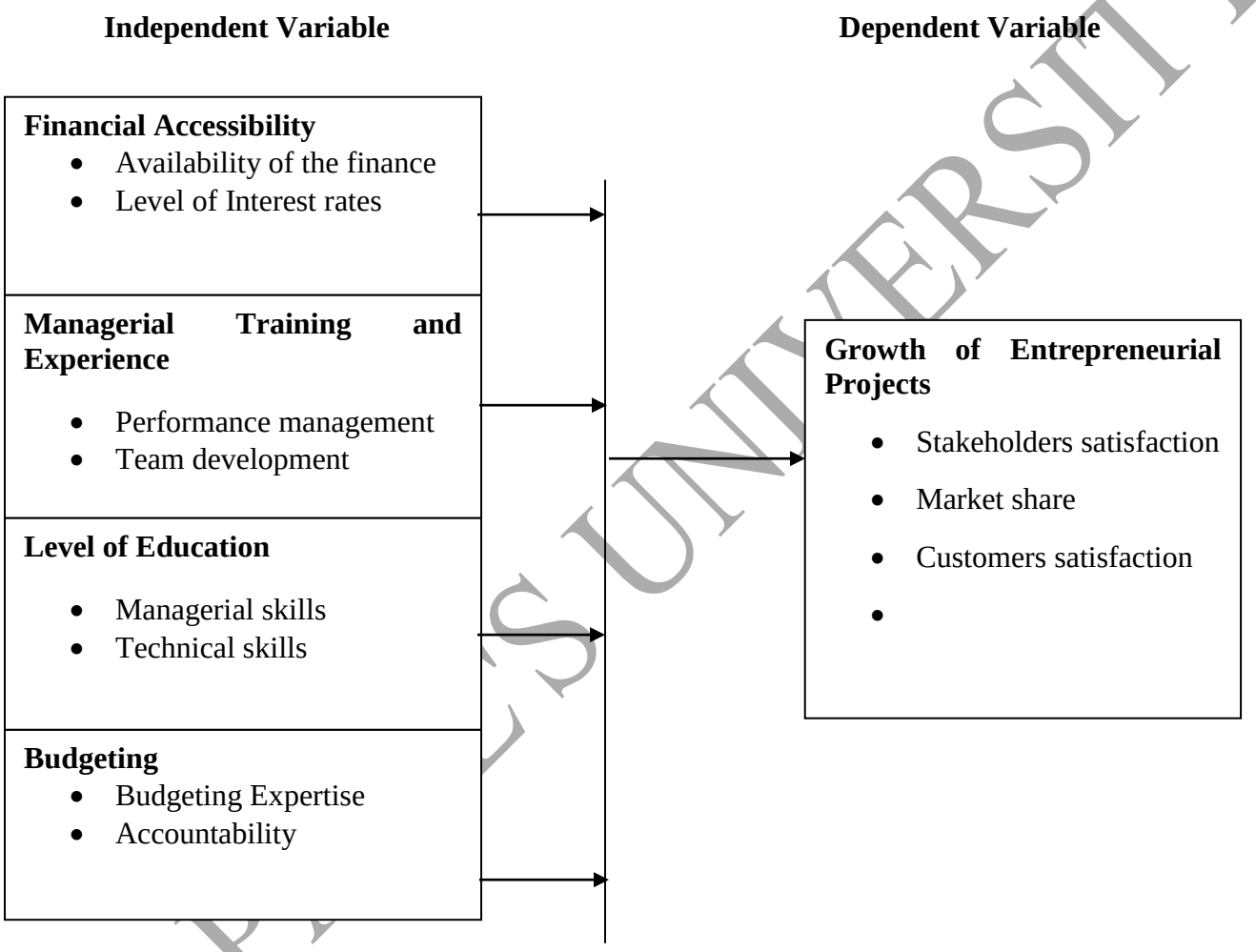



**Figure 2. 1: Conceptual Framework**

**(Research, 2017)**

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# CHAPTER THREE: RESEARCH METHODOLOGY

## 3.1 Introduction

The chapter addresses the use of tools for data collection and analysis. It highlights the combination of different approaches in generating the results and analyzing the same data.

## 3.2 Research Design

The study used a descriptive research design. The design methods are quantitative and qualitative. A descriptive research was deemed to be appropriate for this study because it brought out the unique determinants of growth of entrepreneurial projects. According to Creswell and Clark (2007), descriptive design targets, either the entire population or a subset is selected, and from these individuals, data are collected to help answer research questions of interest. The information gathered represented determinants of growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County.

## 3.3 Population of the Study

A report from PCEA (2015), shows that there are 20 major projects in PCEA Nairobi region which have been involved in some forms of entrepreneurial activities. This study will target all these major PCEA entrepreneurial projects in Nairobi County. The population to be examined comprised of 100 managerial staffs, five staff per project from the parishes within Nairobi County, some of which operate more than one project. These parishes are the Umoja Parish, Kayole parish, Kariombangi North parish, Kimbo parish, Kasarani Parish, Mwiki parish, Kariombangi south parish, Bahati Martyrs' parish, Makadara parish, Eastleigh parish, Dandora parish, St. Andrews' parish, Pipeline parish,

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and the PCEA head office in South C which runs three mega projects namely the PCEA Lay training and Conference Center Zambezi, the Presbyterian University of East Africa and the PCEA Kikuyu Mission hospital, located in the larger Nairobi Metropolitan.

The choice of the projects in Nairobi is because they are the ones that are income generating oriented and not charity oriented as some in the rural regions of the church could be. Further, the twenty projects are the major ones, and the criteria used to determine this is the number of managerial staff, a minimum of five management staff in each project. The managerial staffs are seen to be the one suitable to provide the information the researcher seeks to find in these entrepreneurial projects.

**Table 3.1: Population of the Study**

| **Management Level** | **Population** | **Percentage (%)** |
|---|---|---|
| Top Management | 25 | 25 |
| Middle Level Management | 35 | 35 |
| Low Level Management | 40 | 40 |
| **Total** | **100** | **100** |

**Source; Research, (2017)**

### 3.4 Sampling and Sampling Procedure

A sample design is the architecture or the strategy used to select study participants or respondents (Cooper & Schindler, 2011). Sampling refers to the systematic selection of a limited number of elements out of a theoretically specified population of elements. The basis is to draw conclusions about the entire population using the sample drawn.



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This study used stratified random sampling method. Stratified sampling techniques choose randomly from a population of people known to possess certain characteristics (Cooper & Schindler, 2006). Stratified sampling strategies engage a random approach to investigation based on the shared attributes of the variables. According to the researcher, the unique attributes shared by the respondents reduce the possibility of making errors when investigating the groups. The study will group the population into three strata i.e. top management, middle level management and low level management. The top management in the context of the PCEA projects is the Chief Executive officers, Parish ministers, project directors, Chancellors and moderators providing oversight to these projects. The middle management is the Principles, project managers and administrators. The lower management is the projects Accountants, chief Secretaries, Financial Officers and departmental heads. In each stratum, the study will incorporate the use of random sampling of 86 respondents. A simple random sampling procedure will be used in each stratum.

To come up with the strata sample size the study applied the following formula,

$nh = (Nh / N) * n$

Where nh is the sample size for stratum h, Nh is the population size for stratum h, N is total population size, and n is total sample size.

**Table 3. 2 : Sample Size**

| Target group | Total sample size | Percentage (%) |
|---|---|---|

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| | | |
|---|---|---|
| Top Management | 16 | 18.61 |
| Middle Level Management | 23 | 26.74 |
| Low Level Management | 47 | 54.65 |
| **Total** | **86** | **100** |

**Source; Research (2017)**

### 3.5 Data Collection Instrument

The collection of primary data was achieved by the use of semi-structured questionnaire. This was issued to each staff in different church projects. The questionnaire enabled the achievement of uniformity in the manner in which questions are answered. A study by Cooper and Schindler (2006), shows that when structured questions are used on the questionnaire, it is possible to achieve a uniformity in responses while when unstructured questions are provided to respondents, had the freedom to respond according to their understanding of the questions but were provided with support by the researcher.

The questions were structured in the form of a five-point Likert scale, where the responses were rated from 1 to 5 based on their levels of significance. The study involved generation of structured and unstructured questions from four independent variables that were measured. Care was exercised by the researcher to ensure reception of all questionnaires issued to the respondents while a register was maintained for all the questionnaires filled by the respondents. The use of unstructured questions focused on encouraging the respondents during the provision of in-depth responses without developing a feeling of being held back in the provision of feedback. Coding was done to each questionnaire and confidentiality of respondents was enhanced. The process of coding was used in order to determine the matching ideas between respondents.

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### 3.6 Pilot Testing

During this study, a pilot test was conducted in order to determine the validity of the questionnaires and was performed by the researcher and his assistant. The main objective of the plot study was to identify the possible beneficiaries, omissions, errors in the questionnaire and eliminate them before it is used to collect the actual data (Brotherton, 2008).

The location for the pilot study was at the PCEA Bahati Martyrs' Academy while the respondents were the staff members of the academy. Reliability measurement was done by conducting a test-retest procedure. The test-retest procedure involved administering the research instruments to the respondents followed by another administration of the responses to the same respondents after one week.

### 3.7 Data Collection Procedure

The researcher sought permission from the church officials as well as the approval of the university to enable the research to be conducted. A transmittal letter was attached by the researcher to each questionnaire. Each project was visited by the researcher at different times and the staffs were asked for permission to participate in the research. Data collection was conducted by the researcher and his two assistants in the five projects. This facilitated timely collection of data. The assistant were guided by the researcher on the procedures to be followed during the research, method of administering the questionnaire to each respondent in a manner that confidentiality is enhanced, and focusing on the academic objectives of the research. Respondents were allowed to ask questions regarding the research topics in case they are unable to answer the questions

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comfortably. The questionnaires were collected after filling and used in further analysis and compilation of the findings of the study. On the other hand, when there was no need to for immediate completion of the questionnaire, it was left with the respondents to be collected later.

### 3.8 Validity and Reliability

Validity refers to the extent to which the research measures what it is expected to measure (Brotherton, 2008). Content validity was used by the researcher during the examination of the effectiveness of the research instruments in answering the research questions. Changes and additions were made to the research instruments in consultation with the supervisor to determine the content validity. According to Mugenda and Mugenda (2003), content validity refers to the level to which data collected using a particular instrument is a representation of a particular domain of indicators of a subject of study. Content validity of a study can be improved by performing expert judgment. It is the extent to which an instrument provides an effective coverage of a topic of study.

Reliability refers to the level to which a research instrument results into consistent outcomes when repeated trials have been performed (Cooper & Schindler 2006). Reliability is the level of consistency of a research's findings and the level to which they can be replicated. Higher levels of reliability in this study were achieved by personal collection of data by the researcher in some cases as well as incorporating the services of competent assistants. This study incorporated a test-retest procedure during testing of reliability of the administered questions in an interval of ne week to enable the distinction in time between the first and the second study. During reliability testing, three staff members from various projects used during the pilot study. Another analytical procedure



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that was conducted is the internal consistency by the use of Cronbach's Alpha (α) measurement procedure, which is used to determine the level to which a number of measurement items can be described as providing a measurement of a particular variable. A Cronbach's Alpha figure of 0.7 was deemed appropriate for the study. Reliability measurement enables understanding of the internal consistency and the uniformity of the items in the scale.

### 3.9 Data Analysis and Presentation

According to a study by Mugenda and Mugenda (2003), data analysis refers to the process of conducting a number of operations in a close manner in order to summarize the resulting data and organizing them in a manner that the research question is answered. The main activities that take place during data analysis include: editing the responses, coding, classifying different themes, and tabulating the research outcomes. Other activities that are performed include: manipulating the data, summary development, and provision of answers to the research questions. Before conducting the actual analysis using SPSS software, the resulting data underwent editing, cleaning, and checking for accuracy and finally coding was done. These processes are important in ensuring organization of the collected data in a manner that analysis is facilitated (Mugenda & Mugenda, 2003). The resulting quantitative data underwent analysis by the use of descriptive statistics which was involve the use of Statistical Package for Social Sciences (SPSS) version 20. The results were represented using tables, means, percentages and stardard deviation.

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ANOVA test was conducted to determine the level of significance of the variance by the use of a one-Way ANOVA in order to determine the existence of significant variations between the variables. In addition, the study conducted a multiple regression analysis.

The model used was:

$Y = \beta o + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu$

Y= Growth of Entrepreneurial Projects

$X_1$= Financial Accessibility

$X_2$= Managerial Training and Experience

$X_3$= Level of Education

$X_4$= Budgeting

$\beta_1$ -$\beta_4$ are the regression co-efficient or change introduced in Y by each independent variable

$\mu$= $\mu$ is the random error term accounting for all other variables that affect growth of entrepreneurial projects but not captured in the model.

**3.10 Ethical Consideration**

There was need for the researcher to exercises utmost caution during data collection process by ensuring the rights and privacy needs of respondents are addressed. Before conducting the actual administration of the research instruments, the researcher provided an instruction message to the respondents regarding the purpose of the research in a language that they can understand easily

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The study was conducted after seeking the consent of the respondents who were provided with the questions regarding the topic of research. Confidentiality was ensured by not including the names of respondents in the responses. In addition, the respondents were asked to participate in the research on voluntary basis and none of them were forced to provide answers to the research questions. The results of the study were represented without any manipulation in order to present the actual findings of the research as recommended in research ethics.

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# CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION

## 4.1 Introduction

This chapter presents data analysis of the findings obtained from the field. It presents the background information of the respondents, findings of the analysis based on the objectives of the study. Descriptive statistics have been used to discuss the findings of the study.

### 4.1.1 Questionnaire

The study targeted a sample size of 86 respondents from which 77 filled in and returned the questionnaires making a response rate of 89.53%. This response rate was satisfactory to make conclusions for the study as it acted as a representative. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was excellent

**Table 4.3: Response Rate**

| | Questionnaires Administered | Questionnaires filled & Returned | Percentage |
|---|---|---|---|
| Respondents | 86 | 77 | 89.53 |

## 4.2 Reliability of Data collection instruments

The study conducted a reliability to determine the internal consistency of the data obtained. Internal consistency method was preferred as it measures whether several items that propose to measure the same general construct produce similar scores thus a referred technique of measuring reliability (Sanders, *et al*, 2009). Nzuki's (2010) on a study managing price risk in oil Industry used internal consistency method. Chiorean, Donohoe



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and Sougiannis (2012), used similar method. In this study, Cronbach Alpha tests were conducted. The Cronbach's Alpha test results were summarized per variable in the table below.

**Table 4.4: Summary Cronbach's Alpha**

| Variable | Cronbach Alpha coefficient score | Comments |
|---|---|---|
| Financial accessibility | .941 | Reliable |
| Managerial training and competence | .886 | Reliable |
| Education level | .794 | Reliable |
| Budgeting | .876 | Reliable |

A pilot study was carried out to determine reliability of the questionnaires. The pilot study involved the sample respondents. Reliability analysis was subsequently done using Cronbach's Alpha which measured the internal consistency by establishing if certain items within a scale measure the same construct. Gliem and Gliem (2003), established the Alpha value threshold at 0.7, thus forming the study's benchmark. Cronbach alpha was established for every objective which formed a scale. The table shows that financial accessibility had the highest reliability ($\alpha$=0.941) followed by managerial training and competence ($\alpha$= 0.886), budgeting had a reliability of ($\alpha$=0.876) and finally education level with a reliability of ($\alpha$=0.794). This illustrates that all the variables were reliable as their reliability values exceeded the prescribed threshold of 0.7.

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### 4.3 Demographic Information

The study sought to establish the demographic information of the respondents in terms of gender distribution, level of education, period of service, job category and period of operation in Kenya.

#### 4.3.1 Gender distribution

**Table 4. 5 : Gender Distribution**

| Gender | Frequency | Percentage |
|---|---|---|
| Male | 59 | 76.63 |
| Female | 18 | 23.37 |
| **Total** | **77** | **100** |

The study sought to establish the gender distribution of the respondents, from the research findings the study revealed that majority of the respondents as shown by 76.63% were males whereas 23.37% of the respondents were females. This this implies that respondents were fairly distributed in terms of their gender.

#### 4.3.2 Level of Education

The study sought to establish to what level the respondents were educated

**Table 4. 6 : Level of Education**

| Level of Education | Frequency | Percentage |
|---|---|---|
| College Diploma | 39 | 50.66 |
| Undergraduate | 28 | 36.36 |
| Master | 10 | 12.98 |
| **Total** | **77** | **100** |

On respondents' level of education attained, the study revealed that majority of the



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respondents as shown by 50.66% had attained, college diploma or whereas 36.36% of the respondents had attained undergraduate degrees and 12.98% of the respondents had attained master's degrees. This implies that respondents were well educated and therefore they were in position to respond to the research questions with ease.

### 4.3.3 Period of Service

The study sought to establish the period of service of the respondents in the entrepreneurial projects.

**Table 4. 7 : Period of Service**

| Period of Service | Frequency | Percentage |
|---|---|---|
| Below 2 years | 7 | 9.10 |
| 3 to 5 years | 10 | 12.98 |
| 6 to 8 years | 38 | 49.35 |
| 9 years and above | 22 | 28.57 |
| **Total** | **77** | **100** |

The study sought to establish the period which the respondents had served for in the projects. From the research findings, the study revealed that most of the respondents as shown by 49.35% had served the projects for 6 to 8 years whereas 28.57% of the respondents had served the projects for a period of above 9 years, 12.98% had served the in the projects for 3 to 5 years and only 9.10% of the respondents had served the in the projects for a period of less than 2 years. This implies that majority of the respondents had served the projects for a considerable period of time and thus they were in a position to give credible information rating to this research

### 4.3.4 Job Category



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The study sought to establish the management job category of the respondents in the entrepreneurial projects.

**Table 4. 8 : Job Category**

| Job Category | Frequency | Percentage |
|---|---|---|
| Top level management | 7 | 9.10 |
| Middle level management | 22 | 28.57 |
| Low level management | 48 | 62.33 |
| **Total** | **77** | **100** |

The study sought to establish the level of management which the respondents were working for in the projects. From the research findings, the study revealed that majority of the respondents as shown by 62.33% were in the lower level of management, whereas 28.57% of the respondents were in the middle level management in the projects and only 9.10% were in the top level management. This implies that majority of the respondents were in the right management category and were in a position to respond to the question with ease.

### 4.3.5 Period of Operation in Kenya

The study sought to establish the period operation of entrepreneurial projects in Kenya

**Table 4. 9 : Period of Operation in Kenya**

| Period of Operation in Kenya | Frequency | Percentage |
|---|---|---|
| Below 10 years | 7 | 9.10 |
| 11 to 20 years | 22 | 28.57 |
| 21 to 30 years | 40 | 51.94 |
| Above 30 years | 8 | 10.39 |

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| | | |
|---|---|---|
| **Total** | **77** | **100** |

The study sought to determine the period operation of entrepreneurial projects in Kenya. From the research findings, the study revealed that majority of the respondents as shown by 51.94% indicated that the projects have been operational in Kenya for a period of 21 to 30 years, 28.57% indicated that the projects have been operational in Kenya for a period of 11 to 20 years. On the other hand, 10.39% indicated that the projects have been operational in Kenya for a period of more than 30 years and only 9.10% of the respondents indicated that the projects have been operational in Kenya for a period of less than 10 years. This implies that the projects had operated in Kenya for a considerable period of time and had enough information regarding the factors affecting the growth of entrepreneurial projects in Presbyterian Church of east Africa in Nairobi County.

### 4.4 Determinants of Growth of Entrepreneurial Projects in the PCEA in Nairobi County

The study sought to establish the determinants of growth of entrepreneurial projects which are in the PCEA Nairobi county; financial accessibility, managerial training and experience, level of education and budgeting.

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### 4.4.1 Financial Accessibility

**Table 4. 10 : Financial Accessibility**

| Financial Accessibility | Mean | Std deviation |
|---|---|---|
| Financing the church projects appears to be the major problem | 4.29 | 0.21 |
| Church projects experience great difficulties obtaining access to institutional credit because lenders perceive them to be risky borrowers | 4.31 | 0.24 |
| There are lengthy and vigorous procedures for loan applications to start entrepreneurial projects in church | 4.21 | 0.27 |
| Church projects usually require financial assistance to launch their ventures from bank loans or money from a savings account. | 4.22 | 0.25 |
| Church projects have little access to funds, due to the fact that they are concentrated in poor lower class estates with few opportunities to borrow money | 4.19 | 0.23 |
| The church projects are restricted by underdeveloped legal and financial institutions that lack to support entrepreneurial projects to grow to their full potential. | 4.28 | 0.21 |

The study sought to establish the extent to which respondents agreed with the above statements relating to financial accessibility from the research findings. Majority of the respondents strongly agreed that; church projects experience great difficulties obtaining access to institutional credit because lenders perceive them to be risky borrowers (M=4.31, SD =0.24), financing the church projects appears to be the major problem (M=4. 29, SD =0.24), the church projects are restricted by underdeveloped legal and financial institutions that lack to support entrepreneurial projects to grow to their full potential. (M=4. 28, SD =0.21), church projects usually require financial assistance to launch their ventures from bank loan or money from a savings account (M=4.22,



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SD =0.25). The findings are in line with Starcher (2008), financial assistance is important for entrepreneurs during launching of their businesses and they can achieve this by accessing loans from banks or savings accounts. A number of upcoming businesses in developing countries experience the challenge of lack of access to funds, because of their concentration in poor rural environments or locations that have fewer chances of accessing financial assistance.

The study further established that there are lengthy and vigorous procedures for loan applications to start entrepreneurial projects in church (M=4.21, SD =0.27) and that the church projects have little access to funds, due to the fact that they are concentrated in poor lower class estates with few opportunities to borrow money (M=4.19, SD =0. 23). The findings confirm the work of Sohl (2010), that most young people are of the view that the biggest challenge to setting up entrepreneurial projects is limited access to financial services. In this study, there was a greater challenge of inaccessibility to financial services compared with administrative procedures or unfavorable economic environment for the operation of a business enterprise.

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### 4.4.2 Managerial Training and Experience

**Table 4. 11 : Managerial Training and Experience**

| Managerial Training and Experience | Mean | Std deviation |
|---|---|---|
| The managers of the church projects develop their own approach to management through a process of trial and error | 4.45 | 0.24 |
| Training provides the creativity needed, it may present problems when complex decisions have to be made | 4.24 | 0.22 |
| Managers of church projects are prepared to face changes in the business environment and plan appropriate changes in technology | 4.21 | 0.22 |
| Management skills relate to the owner/manager and the enterprise in church projects | 4.40 | 0.22 |
| In the church projects, proper management get tasks accomplished with and through people by guiding and motivating their efforts. | 4.28 | 0.24 |
| The church projects with more education and training are more likely to be successful. | 4.33 | 0.21 |

The study sought to establish the extent to which respondents agreed with the above statements relating to managerial training and experience. From the research findings, majority of the respondents strongly agreed that; the managers of the church projects develop their own approach to management through a process of trial and error (M=4. 45, SD =0. 24), management skills relate to the owner/manager and the enterprise in church projects (M=4. 40, SD =0. 22), the church projects with more education and training are more likely to be successful. (M=4. 33, SD =0. 21). The findings are in line with Brana, (2008), managerial training is important in the performance of daily activities since one should always know what they are doing in the business. Small and medium size enterprises suffer the greatest bout when led by enthusiastic managers that lack the simple principles of management.

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The respondents further agreed that in the church projects, proper management get tasks accomplished with and through people by guiding and motivating their efforts (M=4. 28, SD =0. 24), training provides the creativity needed, it may present problems when complex decisions have to be made (M=4. 24, SD =0. 22), managers of church projects are prepared to face changes in the business environment and plan appropriate changes in technology (M=4. 21, SD =0. 24). The findings confirm the work of Nzioka (2005), who believes that education is the backbone of business management. According to him, lack of education holds back the performance of a business. Without education, it is impossible to understand the key performance indicators in any business environment.

### 4.4.3 Level of Education

**Table 4. 12 : Level of Education**

| Level of Education | Mean | Std deviation |
|---|---|---|
| Education is crucial in changing the status of entrepreneurial projects in PCEA church | 4.53 | 0.25 |
| Entrepreneurship education is critical in helping people to develop entrepreneurial skills in PCEA church | 4.35 | 0.22 |
| Lack of entrepreneurial skills to entrepreneurs has been a major hindering factor to startup of entrepreneurial projects by PCEA church | 4.12 | 0.25 |
| PCEA church entrepreneurs have the credentials or business skills that other financial institutions would look for in assessing creditworthiness | 4.24 | 0.20 |
| PCEA church entrepreneurship projects open major access routes to prosperity. | 4.45 | 0.24 |

The study sought to establish the extent to which respondents agreed with the above statements relating to level of education from the research findings. Majority of the respondents strongly agreed that; education is crucial in changing the status of entrepreneurial projects in PCEA church (M=4.53, SD =0.25), PCEA church



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entrepreneurship projects open major access routes to prosperity (M=4. 45, SD =0.24), entrepreneurship education is critical in helping people to develop entrepreneurial skills in PCEA church (M=4. 35, SD =0. 22). The findings confirm Schoof (2006), affirms that such individuals grow with the eagerness to participate in problem-solving exercises because of the creative abilities they possess. Elevated educational levels of the managers and the employees reduce various risks within a business.

The study further agreed that PCEA church entrepreneurs have the credentials or business skills that other financial institutions would look for in assessing credit worthiness (M=4. 24, SD =0. 20) and lack of entrepreneurial skills to entrepreneurs has been a major hindering factor to startup of entrepreneurial projects by PCEA church (M=4. 12, SD =0.25). The findings are in line with King and McGrath (2002), detailed that education empowers an individual with the right management skills, control, and planning capabilities. As, such a person can exercise the best staffing policies for the employees to apply their talents within the business environment. Businesses vary in design, capability, and management styles. It explains why training is critical for the various human resources to adjust easily to the new environment.

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### 4.4.4 Budgeting

**Table 4. 13 : Budgeting**

| Budgeting | Mean | Std deviation |
|---|---|---|
| PCEA church engage in business due to economic factors, which encourage them to have an independent budgetary occupation and stands | 4.29 | 0.19 |
| The financial needs of PCEA church are embodied in capital budgeting decisions on projects within the firm. | 4.18 | 0.24 |
| Budgets require management to specify expected sales in the case of PCEA church, cash inflows and outflows, and costs. | 4.33 | 0.20 |
| Budgets provide rational and tangible data facilitating and enabling decision-making of PCEA church projects. | 4.22 | 0.20 |
| A sense towards independent budget decision-making on entrepreneurs in PCEA church factor behind the entrepreneurial projects. | 4.21 | 0.19 |

Further, the study sought to establish the extent to which respondents agreed with the above statements relating to budgeting. From the research findings, majority of the respondents strongly agreed that; budgets require management to specify expected sales in the case of PCEA church, cash inflows and outflows, and costs (M=4. 33, SD =0.20), PCEA church engage in business due to economic factors, which encourage them to have an independent budgetary occupation and stands (M=4. 29, SD =0.19). The findings confirm the work of Nouri and Parker, (2008), budgeting concerns each department within an organization because people have to account for the use of monies. For instance, an NGO funded by an international interest group always needs a financial report of the company to understand how it uses money. Such resources might be used for campaigns and projects that could require reimbursement of the surplus for reinvestment or a deficit might occur.

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Respondents further revealed that, budgets provide rational and tangible data facilitating and enabling decision-making of PCEA church projects (M=4. 22, SD =0.20), a sense towards independent budget decision-making on entrepreneurs in PCEA church factor behind the entrepreneurial projects (M=4. 21, SD =0.19) and that the financial needs of PCEA church are embodied in capital budgeting decisions on projects within the firm. (M=4. 18, SD =0.24). The findings are in line with Joshi (2003), poor planning procedures reflected through haphazard budgets reveal that such entrepreneurs have much to learn when matters of budgeting arise. It is impossible to make the best budget when one lacks the basic understanding of the financier or research about other businesses that benefitted from similar projects in the past.

### 4.5 Growth of Entrepreneurial Projects

**Table 4. 14 : Growth of Entrepreneurial Projects**

| Growth of Entrepreneurial Projects | Mean | Std deviation |
|---|---|---|
| Services are well delivered in PCEA church projects to ensure adequate growth | 4.29 | 0.23 |
| The PCEA church projects ensures that stakeholders are satisfied | 4.38 | 0.25 |
| The stakeholders ensure market share of entrepreneurial projects is maintained | 4.36 | 0.19 |
| The number of people assisted determine the performance of the projects | 4.28 | 0.17 |
| Religious beliefs are usually a hindrance to engagement in businesses which lead to entrepreneurial growth | 4.30 | 0.22 |

The study sought to establish the extent to which respondents agreed with the above statements relating to growth of entrepreneurial projects. From the research findings, majority of the respondents strongly agreed that; The PCEA church projects ensures that stakeholders are satisfied (M=4. 38, SD =0.23), the stakeholders ensure market share of

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entrepreneurial projects is maintained (M=4. 36, SD =0.19), religious beliefs are usually a hindrance to engagement in businesses which lead to entrepreneurial growth (M=4. 30, SD =0.22), services are well delivered in PCEA church projects to ensure adequate growth (M=4. 29, SD =0.23), and the number of people assisted determine the performance of the projects (M=4. 28, SD =0.17). The findings concur with Kanter (2006), that entrepreneurship is made up of performance of activities in the course of a business in a routine manner and has been considered to be a phenomenon that requires effective leadership. During an entrepreneurial activity, the main activities include; taking initiative to commence a particular business activity, organizing social and economic requirements

### 4.6 Regression Analysis

A multiple regression model was applied to identify the relationship between factors and growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. The study adopted the following regression equation to establish the relationship between variables $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + +\varepsilon$; where Y= growth of entrepreneurial projects, $\beta 0$=the constant of regression, $\beta_1$, $\beta_2$, $\beta_3$ and $\beta_4$ = are the regression coefficients/weights of the following respective independent variables; $x_1$= financial accessibility, $x_2$= managerial training and experience, $x_3$= level of education, $x_4$= budgeting and e= error term. All the four independent variables were measured using the responses on each of the variables obtained from the respondents. The results are discussed below.

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**Table 4.15: Regression Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | 0.889[a] | 0.790 | 0.720 | 0.01 |

The four independent variables that were studied explain 79.0% of the factors affecting growth of entrepreneurial projects as represented by R Squared (Coefficient of determinant). This therefore means that other factors not studied in this research contribute 21.0% in influencing growth of entrepreneurial projects.

**Table 4.16: ANOVA of Factors Affecting Growth of Entrepreneurial Projects**

| Model | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 241.640 | 4 | 60.410 | 22.99 | .001[a] |
| Residual | 189.144 | 72 | 2.627 | | |
| Total | 430.784 | 76 | | | |

Critical value 2.39

The study used ANOVA to establish the significance of the regression model from which an f-significance value of p less than 0.05 was established ($p=0.001 < 0.05$). The model is statistically significant in predicting how financial accessibility, managerial training and competence, education level and budgeting affect growth of entrepreneurial projects. This shows that the regression model has a less than 0.05 likelihood (probability) of giving a wrong prediction. This therefore means that the regression model has a confidence level of above 95% hence high reliability of the results. This implies that the regression model is statistically significant since 22.99>2.39.

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**Table 4.17: Regression Coefficients**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | .159 | 0.135 | .174 | 1.177 | .001 |
| Financial accessibility ($X_1$) | .614 | .016 | .423 | 38.375 | .002 |
| Managerial training and competence ($X_{2)}$ | .520 | .133 | .262 | 3.909 | .003 |
| Education level ($X_3$) | .498 | .021 | .218 | 23.714 | .004 |
| Budgeting ($X_4$) | .447 | .129 | .123 | 3.465 | .003 |

a) Predictors: (Constant), Financial accessibility, Managerial training and competence, Education level and Budgeting.

b) Dependent Variable: growth of entrepreneurial projects.

The established regression equation was;

$$\mathbf{Y= 0.159+ 0.\ 614X_1 + 0.\ 520X_2 + 0.498X_3 + 0.\ 445X_4 + \varepsilon}$$

The regression equation above has established that holding all factors (financial accessibility, managerial training and competence, education level and education level) constant, other factors influencing growth of entrepreneurial projects will be 0.159 ($p = 0.001 < 0.05$). The findings also show that taking all other independent variables at zero, a unit increase in financial accessibility will lead to a 0.614 ($p = 0.002 < 0.05$) increase in the growth of entrepreneurial projects. The findings also show that taking all other independent variables at zero, a unit increase in managerial training and competence will lead to a 0.520 ($p = 0.003 < 0.05$) increase in the growth of entrepreneurial projects. On the other hand, the findings also show that taking all other independent variables at zero, a unit increase in education level will lead to a 0.498 ($p = 0.003 < 0.05$) increase in the

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growth of entrepreneurial projects and that taking all other independent variables at zero, a unit increase in budgeting will lead to a 0.477 ($p = 0.004 < 0.05$) increase in the growth of entrepreneurial projects.

### 4.7 Discussion of the Findings

#### 4.7.1 Financial Accessibility

The study found that taking all other independent variables at zero, a unit increase in financial accessibility will lead to a 0.614 ($p = 0.002 < 0.05$) increase in the growth of entrepreneurial projects. The study further found that church projects experience great difficulties obtaining access to institutional credit because lenders perceive them to be risky borrowers; financing the church projects appears to be the major problem. The church projects are restricted by underdeveloped legal and financial institutions that lack to support entrepreneurial projects to grow to their full potential. Church projects usually require financial assistance to launch their ventures from bank loan or money from a savings account. The findings are in line with Starcher (2008), financial assistance is important for entrepreneurs during launching of their businesses and they can achieve this by accessing loans from banks or savings accounts.

#### 4.7.2 Managerial Training and Competence

On the managerial training and competence, the study found that taking all other independent variables at zero, a unit increase in managerial training and competence will lead to a 0.520 ($p = 0.003 < 0.05$) increase in the growth of entrepreneurial projects. The study further found that the managers of the church projects develop their own approach to management through a process of trial and error, management skills relate to the



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owner/manager and the enterprise in church projects, the church projects with more education and training are more likely to be successful. The findings are in line with Brana, (2008), managerial training is important in the performance of daily activities since one should always know what they are doing in the business. Small and medium size enterprises suffer the greatest bout when led by enthusiastic managers that lack the simple principles of management.

### 4.7.3 Education Level

The study further found that in the church projects, proper management get tasks accomplished with and through people by guiding and motivating their efforts, training provides the creativity needed, it may present problems when complex decisions have to be made, managers of church projects are prepared to face changes in the business environment and plan appropriate changes in technology. The findings confirm the work of Nzioka (2005), who believes that education is the backbone of business management. According to him, lack of education holds back the performance of a business. Without education, it is impossible to understand the key performance indicators in any business environment.

Regarding the level of education, the study found that taking all other independent variables at zero, a unit increase in education level will lead to a 0.498 ($p = 0.003 < 0.05$) increase in the growth of entrepreneurial projects. The study also found that education is crucial in changing the status of entrepreneurial projects in PCEA church, PCEA church entrepreneurship projects open major access routes to prosperity, entrepreneurship education is critical in helping people to develop entrepreneurial skills in PCEA church. The findings confirm Schoof (2006), affirms that such individuals grow with the



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eagerness to participate in problem-solving exercises because of the creative abilities they possess. Elevated educational levels of the managers and the employees reduce various risks within a business.

### 4.7.4 Budgeting

The study further revealed that PCEA church entrepreneurs have the credentials or business skills that other financial institutions would look for in assessing creditworthiness, and lack of entrepreneurial skills to entrepreneurs has been a major hindering factor to startup of entrepreneurial projects by PCEA church .The findings are in line with King and McGrath (2002), detailed that education empires an individual with the right management skills, control, and planning capabilities. As, such a person can exercise the best staffing policies for the employees to apply their talents within the business environment. Businesses vary in design, capability, and management styles. It explains why training is critical for the various human resources to adjust easily to the new environment.

On the other hand, the study revealed that taking all other independent variables at zero, a unit increase in budgeting will lead to a 0.477 ($p = 0.004 < 0.05$) increase in the growth of entrepreneurial projects. The study further revealed that budgets require management to specify expected sales in the case of PCEA church, cash inflows and outflows, and costs, PCEA church engage in business due to economic factors, which encourage them to have an independent budgetary occupation and stands. The findings confirm the work of Nouri and Parker (2008), budgeting concerns each department within an organization because people have to account for the use of monies. For instance, an NGO funded by

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an international interest group always needs a financial report of the company to understand how it uses money. Such resources might be used for campaigns and projects that could require reimbursement of the surplus for reinvestment or a deficit might occur.

# CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

## 5.1 Introduction

This chapter presents the summary of the data findings on the analysis of the determinants of growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County, conclusions and recommendations are drawn thereto. The chapter is structured into summary of findings, conclusions, recommendations, study limitations and areas of further studies.

## 5.2 Summary of Findings

### 5.2.1 Financial Accessibility

The study found a strong positive relationship between financial accessibility and growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. The study revealed that increase in finances increases the growth of entrepreneurial projects to a great extent. The study further revealed that Church projects usually require financial assistance to launch their ventures from bank loan or money from a savings



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account, the church projects are restricted by underdeveloped legal and financial institutions that lack to support entrepreneurial projects to grow to their full potential. The findings are in line with Macharia and Wanjiru (1998), inaccessibility to finance for the management of enterprises is a major constraint encountered by entrepreneurs in the attempt to increase the growth of their enterprises.

### 5.2.2 Managerial Training and Competence

On the other hand, the study found a strong positive relationship between managerial training and competence and growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. When the managers are well trained in an organization, they are in a position to make clear decisions on the organizational performance. The study further revealed that the managers of the church projects develop their own approach to management through a process of trial and error, management skills relate to the owner/manager and the enterprise in church projects, the church projects with more education and training are more likely to be successful. The findings concur with Mutuku (2013), managerial training is important in the performance of daily activities since one should always know what they are doing in the business. Small and medium size enterprises suffer the greatest bout when led by enthusiastic managers that lack the simple principles of management.

### 5.2.3 Level of Education

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Similarly, the study found a positive relationship between level of education and growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. The study also found that education is crucial in changing the status of entrepreneurial projects in PCEA church, PCEA church entrepreneurship projects open major access routes to prosperity, entrepreneurship education is critical in helping people to develop entrepreneurial skills in PCEA church. The findings concur with Krueger (2000), the learning experience is responsible for increasing the literacy standards of the young people towards entrepreneurship. It goes beyond theoretical concepts learned in schools to the practical skills acquired through on-job and off-job training.

### 5.2.4 Budgeting

The study found a significant positive relationship between budgeting and growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. The study further revealed that budgets require management to specify expected sales in the case of PCEA church, cash inflows and outflows, and costs, PCEA church engages in business due to economic factors, which encourage them to have an independent budgetary occupation and stands. The findings concur with Mirero and Masaviro (2008), poor planning procedures reflected through haphazard budgets reveal that such entrepreneurs have much to learn when matters of budgeting arise. It is impossible to make the best budget when one lacks the basic understanding of the financier or research about other businesses that benefitted from similar projects in the past.

### 5.2.5 Growth of Entrepreneurial Projects

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On growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County, the study found that the PCEA church projects ensures that stakeholders are satisfied , the stakeholders ensure market share of entrepreneurial projects is maintained, religious beliefs are usually a hindrance to engagement in businesses which lead to entrepreneurial growth, services are well delivered in PCEA church projects to ensure adequate growth, and the number of people assisted determine the performance of the projects. The findings are in line with Baron (2008), during an entrepreneurial activity, the main activities include; taking initiative to commence a particular business activity, organizing social and economic requirements that can contribute to the conversion of resources and situations to a practical outcome and the ability to accept failure in case it occurs.

### 5.3 Conclusion

This study has provided a comprehensive review of determinants of growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. Based on the findings of this study, the study concluded that there is a strong positive relationship between financial accessibility and growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. The study revealed that increase in finances increases the growth of entrepreneurial projects to a great extent. On the other hand, the study concluded that managerial training and competence greatly influences the growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. When the managers are well trained in an organization, they are in a position to make clear decisions on the organizational performance.

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Similarly, the study concluded a great influence of level of education on growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. The study also found that education is crucial in changing the status of entrepreneurial projects in PCEA church, PCEA church entrepreneurship projects open major access routes to prosperity, entrepreneurship education is critical in helping people to develop entrepreneurial skills in PCEA church. The study further concluded that budgeting affects the growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County greatly. The study further revealed that budgets require management to specify expected sales in the case of PCEA church, cash inflows and outflows, and costs, PCEA church engage in business due to economic factors,

## 5.4 Recommendations

### 5.4.1 Financial accessibility

The study recommends that the financial institutions in Kenya should set some simple ways of accessing the financial facilities for the entrepreneurial projects in Presbyterian Church of East Africa and give them at reasonable rates to enable them to repay with ease.

### 5.4.2 Managerial Training and Competence

Managerial training is important in the performance of daily activities since one should always know what they are doing in the business. The local church committee should organize for business training sessions for their project managers and employees at large.

### 5.4.3 Education Level

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The Presbyterian Church of East Africa should help their entrepreneurs in achieving their goals through provision of education on business matters and also provide business consultants and training that would be easily accessible whenever they are needed.

### 5.4.4 Budgeting

The study recommends that the Presbyterian Church of East Africa committee should concentrate on budgeting on enterprise zone, ease technology, and strong marketing networks for continued growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County.

## 5.5 Limitations of the Study

The study findings were applicable to growth of entrepreneurial projects in Presbyterian Church of East Africa only. The findings can therefore not be generalized to all organizations.

## 5.6 Suggestions for Further Studies

The study focused on determinants of growth of entrepreneurial projects in Presbyterian Church of East Africa in Nairobi County. More studies should be done on other determinants of growth of entrepreneurial projects in the PCEA Nairobi County that are not covered in this study.

Further, studies should be done on determinants of growth of entrepreneurial projects in Non-governmental organizations as well as governmental institutions.

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## APPENDIX I: LETTER OF TRANSMITTAL

**JOSEPH NJAU KAMAU**

**P.O. Box 72582-00200**

**NAIROBI**

**April 22, 2016**

**To whom it may Concern**

*Dear Respondent,*

**RE: FILLING OF QUESTIONNAIRE**

My name is Joseph Njau Kamau and I am currently pursuing a Master's Degree in Business Administration at St. Paul's University. I have obtained permission from the University Management to carry out research as part of the requirements for the award of the degree. As part of my study, it requires me to administer a questionnaire designed to generate some insights and equally offer support to my research proposal on the study topic, "**Determinants of Growth of Entrepreneurial Projects within the Presbyterian Church of East Africa in Nairobi**

Participation in the study is voluntary. Whatever information provided will be treated with confidentiality and will not be used for any other purpose other than the objectives of this study.

Your assistance in providing the required information will be highly appreciated. Thank you.



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Yours faithfully,

**Joseph Njau Kamau**

## APPENDIX II: QUESTIONNAIRE

**Section: A: Demographic Information**

This questionnaire is to collect data for purely academic purposes. All information will be treated with strict confidence. Do not put any name or identification on this questionnaire. *Answer all* ***questions as indicated by either filling in the blank or ticking the option that applies*****.**

1. Gender
   a) Male ( )
   b) Female ( )
2. Please indicate the highest level of education attained? (Tick as applicable)
   a) College Diploma [ ]
   b) Undergraduate [ ]
   c) Master [ ]
   d) Others (specify)
   ……
   ……...
3. Indicate your period of service in this project
   a) Below 2 years ( )
   b) 3 to 5 years ( )
   c) 6to 8 years ( )
   d) 9 years and above ( )

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4. Please indicate your job category you are in?

a)Top level management ( )
b) Middle level management ( )
c) Low level management ( )

5. For how long has the project operated in Kenya?

a) < 10 years ( )

b) 11 to 20 years ( )

c) 21 to 30 years ( )

d) 30 years> ( )

**Section: B. Factors Affecting the Growth of Entrepreneurial Projects**

Indicate your level of agreement with the following statements relating to Factors Affecting the Growth of Entrepreneurial Projects. Key Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

| **Financial Accessibility** | **1** | **2** | **3** | **4** | **5** |
|---|---|---|---|---|---|
| 6. Financing the church projects appears to be the major problem | | | | | |
| 7. Church projects experience great difficulties obtaining access to institutional credit because lenders perceive them to be risky borrowers | | | | | |
| 8. There are lengthy and vigorous procedures for loan applications to start entrepreneurial projects in church | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| 9. Church projects usually require financial assistance to launch their ventures from bank loan or money from a savings account. | | | | | |
| 10. Church projects have little access to funds, due to the fact that they are concentrated in poor lower class estates with few opportunities to borrow money | | | | | |
| 11. The church projects are restricted by underdeveloped legal and financial institutions that lack to support entrepreneurial projects to grow to their full potential. | | | | | |

a) In what ways does financial accessibility influence the growth of the projects? Explain

……

b) Where do you get your finances from? Explain……

To what extent do you agree with the following statements on managerial training and experience? Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

| **Managerial Training and Experience** | **1** | **2** | **3** | **4** | **5** |
|---|---|---|---|---|---|
| 12. The managers of the church projects develop their own approach to management through a process of trial and error | | | | | |
| 13. Training provides the creativity needed, it may present problems when complex decisions have to be made | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| 14. Managers of church projects are prepared to face changes in the business environment and plan appropriate changes in technology | | | | | |
| 15. Management skills relate to the owner/manager and the enterprise in church projects | | | | | |
| 16. In the church projects, proper management get tasks accomplished with and through people by guiding and motivating their efforts**.** | | | | | |
| 17. The church projects with more education and training are more likely to be successful. | | | | | |

a) In what ways does managerial training and experience influence the growth of the projects?Explain

……

b) Do you have a program for training the staffs?

……

To what extent do you agree with the following statements on Level of Education? Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

| **Level of Education** | **1** | **2** | **3** | **4** | **5** |
|---|---|---|---|---|---|
| 18. Education is crucial in changing the status of entrepreneurial projects in PCEA church | | | | | |
| 19. Entrepreneurship education is critical in helping people to develop entrepreneurial skills in PCEA church | | | | | |
| 20. Lack of entrepreneurial skills to entrepreneurs has | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| been a major hindering factor to startup of entrepreneurial projects by PCEA church | | | | | |
| 21. PCEA church entrepreneurs have the credentials or business skills that other financial institutions would look for in assessing creditworthiness | | | | | |
| 22. PCEA church entrepreneurship projects open major access routes to prosperity. | | | | | |

a) How does the level of education influence the growth of the projects? Explain……..

b) What is the lowest level of education should the staffs attain to work in the projects?
Explain……
….

To what extent do you agree with the following statements on Budgeting? Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

| **Budgeting** | **1** | **2** | **3** | **4** | **5** |
|---|---|---|---|---|---|
| 23. PCEA church engaged in business due to economic factors, which encourage them to have an independent budgetary occupation and stands | | | | | |
| 24. The financial needs of PCEA church are embodied in capital budgeting decisions on projects within | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| the firm. | | | | | |
| 25. Budgets require management to specify expected sales in the case of PCEA church, cash inflows and outflows, and costs. | | | | | |
| 26. Budgets provide rational and tangible data facilitating and enabling decision-making of PCEA church projects. | | | | | |
| 27. A sense towards independent budget decision-making on entrepreneurs in PCEA church factor behind the entrepreneurial projects. | | | | | |

a) Do you have a budget programs for the projects and how do you do it?

……

b) What other ways does budgeting influence the growth of the projects? Explain……..

To what extent do you agree with the following statements on growth of entrepreneurial projects? Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

| **Growth of Entrepreneurial Projects** | **1** | **2** | **3** | **4** | **5** |
|---|---|---|---|---|---|
| 28. Participation of both male and female in venturing in PCEA church projects ensure adequate growth | | | | | |
| 29. Lack of an entrepreneurial culture in Kenya influences growth PCEA church projects | | | | | |
| 30. Business courses are an important factor for the growth of entrepreneurial projects | | | | | |
| 31. Family life among entrepreneurs greatly influence | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| the growth entrepreneurial projects | | | | | |
| 32. Religious beliefs are usually a hindrance to engagement in businesses which lead to entrepreneurial growth | | | | | |

a) How do you measure the growth of entrepreneurial projects? Explain……

b) What other factors influence growth of entrepreneurial projects? Explain……

**THANK YOU FOR YOUR TIME!!**

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## APPENDIX III: WORK PLAN

| Activity | February-December 2016 | February 2017 | March 2017 | April 2017 |
|---|---|---|---|---|
| Proposal writing | → | | | |
| Proposal defence | → | | | |
| Proposal corrections | → | | | |
| Seminar | | → | | |
| Pilot Testing | | → | | |
| Data collection and analysis | | | → | |
| Submission of final project report | | | | → |

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## APPENDIX IV: BUDGET

| **ACTIVITIES** | **AMOUNT IN Ksh** |
|---|---|
| TYPING | 50,000 |
| PRINTING | 20,000 |
| TRAVELLING | 30,000 |
| BINDING | 20,000 |
| **TOTAL** | **120,000** |

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## APPENDIX V: MAJOR PCEA PROJECTS IN NAIROBI COUNTY

1. PCEA Umoja primary school
2. PCEA Kayole primary school
3. PCEA Kayole bus project
4. PCEA Kariombangi primary school
5. PCEA Nairobi north bus project.
6. PCEA Githurai Kimbo academy
7. PCEA Kasarani primary school
8. PCEA Mwiki tents and chairs for hire
9. PCEA Kariombangi north water project
10. PCEA lay training and conference center Zambezi
11. Presbyterian university of east Africa
12. PCEA Kikuyu mission hospital
13. PCEA Bahati martyrs' academy
14. PCEA Eastleigh Community centre
15. PCEA Dandora health centre
16. PCEA Makadara water project
17. PCEA Milele guest house south c
19. PCEA St. Andrews complex Hall
20. PCEA pipeline rental houses and conference rooms

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