Thesis

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Entrepreneurial Factors Influencing Performance of Community Based Health Financing Schemes in Kibera Informal Settlement in Nairobi City County, Kenya

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Entrepreneurial Factors Influencing Performance of Community Based Health Financing Schemes in Kibera Informal Settlement in Nairobi City County, Kenya

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DECLARATION

This thesis is my original work and has not been presented for a degree in any other university.

Signature ..... Date 16/10/2014

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This thesis has been submitted for examination with our approval as university supervisors

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DEDICATION

I dedicate this thesis to my family.

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ACRONYMS

ANOVA : Analysis of Variance

AP-RPRP : Andhra Pradesh Rural Poverty Reduction.

CARE : Cooperative for Assistance and Relief Everywhere

CBHF : Community Based Health Financing

CC : Cluster Committee

CDD : Community-driven Development

CHI : Community Health Insurance

CODESRIA :Council for Development of Social Science Research in Africa

DRC : Democratic Republic of Congo

IFAD : International Fund for Agricultural Development

KCBHFA : Kenya Community Based Health Financing Association

KENSUP : Kenya Slum Upgrading Program

MFI : Microfinance Institution

NABARD : National Bank for Agriculture and Rural Development

NGOs : Non-governmental Organizations

NHIF : National Hospital Insurance Fund

SG : Savings Group

SHG : Self-Help Group

UNICEF : United Nations Children's Fund

VIF : Variance Inflation Factors

VSCOs : Village Savings and Credit Organizations

DEFINITION OF TERMS

Community participation: The process of involving the stakeholders from the community to organization`s planning, decision making and implementation for the benefit of the scheme (Ndiaye, 2007).

Good performance : Highest in a scale of value (Smith & Witter, 2004).

Income : The amount of money received over a period of time either as payment for work, goods, or services, or as profit on capital (World Health Organization, WHO, 2000).

Innovativeness : Conceptualization of new commodities (or a greatly improved commodities), but also as the successful bringing of new commodities to the market (Cakar & Erturk, 2010).

Proactiveness : Opposite of reactiveness and is associated with aggressive posturing relative to competitors (Kreisler & Davis, 2010).

Risk-taking : Tendency to engage in behaviours that have the potential to be harmful or dangerous, yet at the same time provide the opportunity for some kind of outcome that can be perceived as positive (Key, *et al.*, 2002.

ABSTRACT

The purpose of this study was to evaluate entrepreneurial factors influencing performance of community-based health financing schemes in Kibera informal settlement in Nairobi City County, Kenya. The specific objectives of this study were: to determine how innovative practices influence performance of Community Based Health Financing schemes; to evaluate how dimensions of proactiveness influence performance of Community Based Health Financing schemes; to examine how risk taking by Community Based Health Financing Schemes influence their performance; to evaluate the influence of firm size on the performance of Community Based Health Financing schemes; and to assess the influence of location of schemes on the performance of Community Based Health Financing schemes, at Kibera informal settlement in Nairobi City County, Kenya. The research adopted a descriptive research design. Target population constituted eight registered CBHF schemes in Kibera informal settlement, which included Fri Pals-Mashimoni, Ushirika-Kianda, Jamii Bora trust and Chemi-Chemi. The sample size of the study was 250. Primary data were collected using an interview guide and a semi-structured questionnaire, which was administered to respondents from sampled schemes. The data processing and analysis were mainly by use of linear multiple regression analysis through use of SPSS version 21. Analyzed data were presented in graphs, pie charts and tables. The Key findings of the study indicated that CBHF innovativeness did not have significant effect on the performance of the CBHFs while risk taking and proactiveness of CBHFs had significant effect on the performance of the CBHFs. The

size of the scheme and its location were analysed. The size of the scheme was found to be insignificant and location variables indicated significant effect on the performance of the schemes. The study found some similar characteristics in product innovation, use of technology and creation of unique products and services. The study established that performance of CBHFs was influenced by the proactiveness of the CBHFs in aspects such as in selection, training, use of liberating strategies and inspiring proactive behaviour. Further, the study established that risk taking was important and influenced the performance of the CBHFs especially when pooling of resources. The study also revealed that innovative aspects, proactiveness and risk taking factors affect the performance of CBHFs in three dimensions which are: enhanced organizational knowledge through provision of better terms for the employees and work environments, entrepreneurial knowledge such as training to enhance performance and maintenance of open door policies, and lastly, performance based on entrepreneurial commitment in areas such as identifying markets and aggressive marketing of products. The study recommends that CBHFs should significantly enhance their innovative methods through training of the members in order to provide improved quality and increased capacity of goods and services, improve flexibility for producing and enhance entrepreneurial spirit to all members. The study highly recommends government involvement and support, that would enhance and create enabling environment, Schemes policies, and access to finance to promote the performance of community-based health financing schemes in informal settlement in Kenya.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

One of the increasing concerns on promotion of universal health globally has been financing for more than 1.5 billion poor people who live in low and middle income countries (World Health Organization, WHO, 2000). A large percentage of the poor lack access to effective, affordable medical care because of weakness in the financing and delivery of healthcare. According to W.H.O, (2009), 150 million people in 44 million households worldwide face financial ruin as a direct result of large medical bills every year. Policy makers have assumed until recently that those poor families in developing countries whose survival is vicarious would not pay health insurance premiums, even to forestall the cost of future hospitalization (WHO, 2000).

Community-Based Health Financing (CBHF) aims to empower communities to meet their health financing needs through pooling of resources to pay for healthcare as a group. CBHF schemes share the goal of finding ways for communities to meet their health financing needs through pooled revenue collection and resource allocation decisions made by the community (Bennett, 2004). Schemes employ a variety of financial structures including insurance, prepayment, and credit schemes with premiums ranging from a once per- annum payment during harvest season to a monthly or quarterly fee (Carrin, *et al.*, 2005). CBHF schemes can act as a resource to pay for services through a community fund or can be facility-based (Michelle & Ming-ruchu, 2006).

Performance of Community Based Health Financing is gaining root and momentum in Kenya and its consideration as an alternative financing mechanism in the structures already outlined in the community strategy. It has provided evidence of excellent ways for the poor to finance their own health care. CBHF is a forerunner advocate for NHIF in Kenya. Where CBHF schemes are operating, they have improved health seeking behaviour as the members are able to seek care before illnesses advance. CBHF has increased the demand for health care and enhanced ability and willingness to pay for services utilized (Kaseje, 2008).

The community financing instruments in Kibera vary a great extent in terms of their degree of pre-payment, risk-sharing, resource allocation mechanisms, organizational and institutional characteristics. Nevertheless, the common features they share include the predominant role of the community in mobilizing, pooling and allocating resources, solidarity mechanisms, poor beneficiary population, and voluntary participation.

Performance of Community Based Financing Scheme in Kibera has the capacity to mobilize resources for healthcare. The expectation is that community financing mechanisms reach population groups that the government and market-based health financing arrangements do not. However, there is a large variation in the resource mobilization capacity of various schemes. Community-based health financing schemes are systematically reported to reduce the out-of-pocket spending of their members while increasing their utilization of health care services. The key

determinants of successful resource mobilization and effective financial protection include ability to address adverse selection and rent-seeking provider behaviour through revenue collection, pooling, and purchasing instruments; active community involvement in scheme management; durable relationship between scheme and providers to achieve better monetary value for their members and sustained donor and/or government support.

1.2 Statement of the Problem

CBHFs initiatives are based on entrepreneurship and skills building where scheme members have a village saving and loaning initiative. They contribute on a monthly basis a prescribed amount of money as shares that enable them acquire loans to run small income generating activities. Some schemes contribute money in groups to acquire shares for purposes of accessing loans. Scheme financial sustainability does not require the scheme to fully cover the cost of healthcare services. For the many CBHF schemes that cover relatively poor households, ongoing government subsidies, either to the schemes or government health services in the area, appears critical for both sustainability and equity. Nonetheless, financial sustainability does require that schemes at least balance their expenditures and their incomes over time. For effective performance, scaling-up and expansion of these CBHF schemes, must be emphasized and that successful scaling-up, however must be tempered by the knowledge that without true community engagement in and ownership of the scheme, as well as strong design and management, the full performance potential of CBHF schemes may not be realized (WHO, 2000).

To realize the sound effective performance of CBHF schemes, sustainability and access to finance ought to be enhanced and understood clearly. A continued entrepreneurial dimension of sustainability and access to finance of the scheme has led to eminent growth and development of CBHF schemes in Kibera informal settlement. The observed continued growth and performance of Kibera CBHF schemes calls for an understanding of the entrepreneurial factors like creativity and innovations that have sparked interest as means of pooling risks and mobilizing resources for health care financing to enhance continued performance of the CBHF schemes at the informal settlement. Moreover, a capacity to keep CBHFs operating over time with retained and a prolonged sustainability of the community involved in these schemes calls for an investigation into their sustained performance (KCBHFA, 2010).

Previous studies done in Kenya have not focused on entrepreneurial factors that influence performance of CBHF schemes in informal settlement in Kenya. For example; a study by Kosgei, (2009) evaluated the factors influencing the Choice of Health Care Financing by Informal Sector Employees. The study found that demographic factors like age, education and income were the main factors that influenced the choice of health care financing. The study also revealed that the most critical barrier to health insurance enrolment was the lack of knowledge by informal sector workers about the options available and the procedures. Gitari, (2012) Researched on the factors affecting Women Entrepreneurs' Financial Performance in Kenya in Ngara Market in Nairobi. The study found that accessing of credit

particularly for starting an enterprise is one of the major constraints affecting women entrepreneurs. It also found that inaccessibility of soft loans is the major factor that hinders the women entrepreneurs in running the businesses effectively. Another study by Mugo, (2012) studied the factors affecting Entrepreneurs' Performance in Kenya. The study established that the major threat to entrepreneurs was their inability to access finance. The high cost of running the enterprises was also another big threat to the women development due to lack of adequate capital and on the other hand lack of information on how to access funds to boost their businesses. Kagone & Namusonge (2014) on the other hand did a case study targeting beauty care enterprises in Thika Municipality on factors that influence the growth of women oriented micro enterprise in a bid to determine factors that hinder growth of these enterprises. The study found that women have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which limit their growth and since most women entrepreneurs operate on a small scale, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information.

No known study done, have focussed on entrepreneurial factors influencing the performance of the CBHFs in Kibera informal settlement in Nairobi City County Kenya. This research is therefore motivated to bridge the gap in knowledge by evaluating entrepreneurial factors that influence performance of CBHF schemes at Kibera informal settlement in Nairobi City County, by trying to answer the following questions; what are the risk undertaking factors, what are observable proactiveness

adopted by CBHFs and what are creativity and innovative practices adopted by CBHF schemes that influence the performance of the community based health financial schemes? Too does the size and location of the CBHF influence performance of the CBHFs?

1.3 Research Objectives

The study was guided by the following objectives:

1.3.1 General Objective

To evaluate entrepreneurial factors influencing performance of Community Based Health Financing schemes (CBHFs) at Kibera informal settlement in Nairobi City County in Kenya.

1.3.2 Specific Objectives

This study was guided by the following specific objectives:

i. To determine how innovative practices influence performance of Community Based Health Financing schemes at Kibera informal settlement in Nairobi City County.

ii. To evaluate how dimensions of proactiveness influence performance of Community Based Health Financing schemes at Kibera informal settlement in Nairobi City County.

iii. To examine how risk taking by Community Based Health Financing Schemes of Kibera informal settlement in Nairobi City County influence their performance.

iv. To evaluate the influence of firm size on the performance of Community Based Health Financing schemes at Kibera informal settlement in Nairobi City County.

v. To assess the influence of location of schemes on the performance of Community Based Health Financing schemes at Kibera informal settlement in Nairobi City County.

1.4 Research Questions

This study was guided by the following research questions:

i. How do innovative practices influence performance of community based health financing schemes at Kibera informal settlement in Nairobi City County?

ii. How do dimensions of proactiveness influence performance of community based health-financing schemes at Kibera informal settlement in Nairobi City County?

iii. How does risk taking by community based health-financing schemes of Kibera informal settlement in Nairobi City County influence their performance?

iv. What is the influence of firm size on the performance of community based health-financing schemes at Kibera informal settlement in Nairobi City County?

v. What is the influence of location of schemes on the performance of community based health-financing schemes at Kibera informal settlement in Nairobi City County?

1.5 Research Hypotheses

This study was guided by the following research hypotheses:

Ho_1: Innovative practices do not influence performance in CBHF.

Ho_2: CBHFs proactiveness of resources does not enhance its performance.

Ho_3: Risk undertaking does not influence performance of CBHFs schemes.

Ho_4: Firm size does not influence performance of CBHFs.

Ho_5: Location of schemes does not influence performance of CBHFs.

1.6 Significance and Justification of the Study

The rationale of selecting Kibera slum as an area of study is that, Kibera is the largest slum in south of sub-Saharan Africa where poverty and lack of the basic needs are entrenched. Second, Kibera is the largest slum in Nairobi city and have characteristics of a metropolitan population, which includes foreign communities like the Nubis from Sudan, Rwandese from Rwanda and Sudanese from Sudan. Third, all the CBHFs have their coverage in Kibera slum. This research study is motivated to establish the factors that influence performance of the Community Based Health Financing Schemes (CBHFs) in Kibera slums. The findings will add knowledge regarding the performance of the community based health financing, enable policy

makers to identify a solution to improve CBHFs growth, performance and development.

Health of the people is important for national development, yet diseases burden the poor. It is important to assess the performance of the community-based health financing schemes and advice on the health structures that support the health of the population towards their sustainable development. The communities living in informal settlement, directly and indirectly contribute to the gross domestic products of the country. It is therefore, important to assess the performance of the community-based health financing schemes and advice on the health structures that support the health of the population towards their sustainable national economy development.

Further, the research focuses on the entrepreneurial factors influencing performance of community-based health financing schemes in Kibera informal settlement in Nairobi City County, Kenya. The schemes were expected to benefit from the entrepreneurial factors, by understanding the entrepreneurial dimensions that they should adopt and develop to enhance their performance. These entrepreneurial factors include innovation, proactiveness, risk taking, size and location of Schemes in Kibera informal settlement schemes.

The policy makers stand to benefit from the report of this study. The study recommends the policymakers to embrace and support the CBHF schemes to adopt entrepreneurship dimensions and enhance entrepreneurial spirit. Further, the report

benefits the policy makers to develop policies that will govern community-based schemes in informal settlement.

Research institutions stands also to benefit from this study. Future researchers will use this report as a resourceful future reference material. The Council for the Development of Social Science Research in Africa (CODESRIA), who offered a grant to this study, stands also to benefit by the findings of this report.

The finding for this study also, acts as a basis for entrepreneurial growth and development. If effective implementation is adopted from research findings, the CBHFs schemes in Kenya and other parts of the world stands to benefit by adopting the recommendations of this study.

1.7 Scope of the Study

Kibera, an informal settlement that is under this study, is one of the most pronounced slums within Kenya. Kibera is situated seven (7) kilometres southwest of Nairobi's central business district. It is the second largest informal settlement in Africa. The settlement is comprised of 10 villages: Lindi, Soweto (East and West), Makina, Kianda, Mashimoni, Gatuikira, Kisumu Ndogo, Laini Saba, and Siranga. The location of Kibera, being comparatively close to central business district and industrial area as well as the relatively 'low' rents compared to other areas, has attracted many rural immigrants in search of work. An estimate of total population in the settlement ranges from 500,000 - 700,000 inhabitants: densities of over 2000 people per hectare,

making it one of the most densely populated informal settlements in the Nairobi City County.

The performance of the National Gross Domestic Product encourages all-inclusive participation, which directly or indirectly contributes to the economic growth. The investment that the CBHFs make on the informal settlement is an inseparable component of the National domestic product. This study therefore attempted to examine the similarities or differences across the CBHFs to determine the factors influencing entrepreneurial financing in the informal settlements.

1.8 Limitations of the Study

The study adopted certain methodological limitation and assumptions characterized by the scope of the study. The study focused on the informal settlement and the methodology relied on was standardized leading to the development of the research tools that were appropriate to the respondents and the level of their understanding. The study also relied on one informal settlement and adopted a descriptive research design that assumed that the schemes had all the characteristics similarly to those of other informal settlements.

The study was limited to informal settlement schemes in Kibera informal settlement in Nairobi City County Kenya. The study evaluated entrepreneurial factors influencing the performance of the CBHFs. The respondents were chosen from the sample population of the Kibera informal settlement. The study limited itself to only

the schemes in Kibera, and due to difference in Community based schemes, e.g. faith based schemes, Christian base schemes and other non-Christian based organization, it was not possible to undertake the outcome of the study across the various schemes in the informal settlements. Not all the schemes in this study were considered and therefore, more specific research on each could explore more.

In this study too, the data collected were not normally distributed thus it was not possible to conduct further inferential and statistical analyses. This was overcome by transforming the data using logarithmic method into log base 10 to make the data linear.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The study aimed at determining factors influencing performance of community Based Health Financing Schemes at Kibera Informal Settlement in Nairobi City County. This chapter reviews literature on the factors that influence their performance in facilitating the community health financing schemes. In particular, literature reviews the related literature to theory on corporate entrepreneurship as key performance factor in the running of community Health Financing Schemes. The chapter is organized as follows; Theoretical framework, Conceptual framework, Review of independent, and dependent variables, critique of literature and Research gaps and summary of the literature.

2.2 Theoretical Framework

Entrepreneurial theories, consist of new combinations causing discontinuity which occurs under conditions such as task related motivation in which vision or sense of moral values embedded in the basic task itself motivated the imitator to act, expertise which comprise of present knowledge and the ability to obtain knowledge needed in the future, expectation of both economical and psychic benefits and a supportive environment (Bull *et al,*1995). For any economic theory, it is important to focus on what questions the theory is designed to answer and what tools are being used to answer them. When the concept of entrepreneurship is used in economics, the

purpose of analysis is mainly to explain how the market system works and the various kinds of income (especially profit) and their relation with entrepreneurship. This study focussed on the ideas of Schumpeter theory of innovation, Kreisler theory of risk taking and Parker's Theory of proactive work behaviour.

2.2.1 Schumpeter Theory of Innovation

Schumpeter (1934) used the concept of equilibrium as a theoretical construct. He coined a phrase to describe this equilibrium state: "the circular flow of economic life." Its chief characteristic is that economic life proceeds routinely based on experience; there are no forces evident for any change of the status quo (Schumpeter, 1934). Schumpeter reduced his theory to three elemental and corresponding pairs of opposites: the circular flow i.e., tendency toward equilibrium on the one hand versus a change in economic routine or data on the other; statics versus dynamics, and entrepreneurship versus management. The first pair consists of two real processes; the second, two theoretical apparatuses; the third, two distinct types of conduct.

The theory maintained that the essential function of the entrepreneur is distinct from that of capitalist, landowner, labourer, and inventor. According to Schumpeter, the entrepreneur may be any or all of these things, but if he or she is, it is by coincidence rather than by nature of function. Nor is the entrepreneurial function, in principle, connected with the possession of wealth, even though the accidental fact of the possession of wealth constitutes a practical advantage. Moreover, entrepreneurs do

not form a social class, in the technical sense, although they come to be esteemed for their ability in a capitalist society (Schumpeter, 1939).

Schumpeter admitted that the entrepreneur's basic function is usually mingled with other functions. "Pure" entrepreneurship is difficult to isolate from other economic activity. However, "management" does not describe the truly distinctive role of the entrepreneur. "The function of superintendence in itself constitutes no essential economic distinction," Schumpeter wrote. The function of making decisions is another matter. In Schumpeter's theory, the dynamic entrepreneur is the person who innovates, who makes "new combinations" in production. Schumpeter described innovation in several ways. He first spelled out the kinds of new combinations that underlie economic development.

They encompass the following: creation of a new good or new quality of good; creation of a new method of production; the opening of a new market; the capture of a new source of supply, and; a new organization of industry (e.g., creation or destruction of a monopoly). According to Schumpeter, people act as entrepreneurs only when they actually carry out new combinations, and lose the character of entrepreneurs as soon as they have built up their business, after which they settle down to running it as other people run their businesses (Schumpeter, 1939).

The Schumpeter's theory of innovation emphasizes the need and the competitive advantage, which comes with innovation. The creation of new method of production,

opening of new market, new supplies and new organization of the industries adds value to the performance of the CBHFs.

2.2.2 Kreisler Theory of Risk –Taking

Organizational risk-taking is negatively associated with the level of uncertainty avoidance in a culture; two, organizational risk-taking is positively associated with the level of individualism in a culture; three organizational risk-taking is positively associated with the level of masculinity in a culture and four, organizational risk-taking is negatively associated with the level of power distance in a culture, (Kreisler *et al.*, 2002). Besides, national culture has an important and identifiable impact on the willingness of entrepreneurial organizations to engage in risk-taking and proactive firm behaviours.

There are two broad categories of argument in favour of risk pooling in healthcare, reflecting equity and efficiency considerations. The arguments in favour of risk pooling in healthcare embody equity and efficiency considerations. The equity arguments reflect the view that society does not consider it fair that individuals should assume all the risk associated with their healthcare expenditure needs. The efficiency arguments arise because pooling can lead to major improvements in population health, can increase productivity, and reduces uncertainty associated with healthcare expenditure (Smith & Witter, 2004).

In developing countries, the equity argument is particularly acute for two reasons. First, the pattern of burden of disease is closely related to poverty: the poor are the

ones most in need for treatment. Second, low absolute levels of income mean that even modest financial contributions can lead to inability to seek treatment or adverse consequences from seeking treatment. Pooling therefore, can lead to major improvements in the population's health. Such health gain is likely to be desirable in its own right. Moreover, with no pooling, poorer citizens who could benefit from healthcare might languish untreated and become a burden on society. Pooling can reduce or eliminate a large degree of uncertainty associated with healthcare expenditure, thereby leading to widespread improvements in individual utility (Smith & Witter, 2004).

The Kreisler Theory of Risk-Taking explains the idea of risk taking and the ability of an organization to avoid uncertainties. The risk-taking concept increases the level of masculinity and individualism in CBHFs. The idea of risk pooling ensures that more people are treated without much strain and financial difficulties. This has increased the performance of the CBHFs since provision of health is the main aim of the CBHFs at Kibera.

2.2.3 Parker's Theory of Proactive

A belief that one can be successful in a particular domain, or high self-efficacy, is likely to be especially important in proactive goal generation because being proactive entails quite a high potential psychological risk to the individual (Parker, 2006). Individuals need to feel confident because they can both initiate proactive goals and deal with the consequences before they act. Individuals want to be proactive or see

value associated with being proactive to change a particular target. When goals are imposed or prescribed via some external regulation, there is already a reason to carry out the goal; it is expected or necessary. For self-initiated goals, however, the reason to element cannot be taken for granted. Situations in which individuals have high levels of discretion, goals are not tightly specified, the means for achieving them are uncertain, and attainment is not clearly linked to rewards. Under such circumstances, there needs to be a strong internal driving force from the potentially risky behaviour of proactiveness (Parker, 2006).

Lachine and Wolf (2003) argue that proactiveness can be generated by intrinsic motivation. Motivation is important in proactive goal processes particularly for very long-term oriented proactive goals. In a related vein, proactiveness can be motivated by the experience of flow, which is when an individual narrows his or her focus to an activity in which he or she feels immersed, forgetting time, tiredness, and everything but the activity (Rousseau *et al.*, 2006). Proactive goals not only are linked to current identities but also can be motivated by future-oriented identities (Parker & Collins, 2009). Like other possible future and past identities, future work selves serve as a standard against which the present self can be compared and constitute motivational resources that individuals can use in the control and direction of their own actions (Oyserman & Markus, 1990). Parker and Collins, (2009) showed that future work selves pertaining to individuals' careers motivated greater proactive career-oriented behaviours.

The Parker's Theory of Proactive underscores the concept of intrinsic motivation which propels an individual to work extra hard to achieve some of their goals. The concept of proactiveness has been borrowed to guide this study establish how proactive CBHFs perform.

2.2.4 Entrepreneurial Orientation and Business Performance Model

The analysis of entrepreneurship at the firm level is important and the environmental impact should be put into consideration. Each entrepreneurial orientation dimension affects firm performance differently, (Kreisler *et al.*, 2002). High innovativeness shows positive relationship with sales growth, while proactiveness is positively related to sales level, sales growth, and gross profit, (Kreisler *et al.*, 2002). In other studies, proactiveness and competitive aggressiveness are differentially related to performance in different circumstances (Kreisler *et al.*, 2002). Awang *et al.*, (2009) examined Malaysian Bumiputera SMEs and found that each entrepreneurial orientation dimension contributes independently in explaining the performance while Namusonge (2010), examined the determinants of growth oriented small and medium enterprises in Nairobi Kenya.

This model of entrepreneurial orientation explains the great influence a firm and the environment has on the firm. Those CBHFs which have more entrepreneurial minds could be better performing than those which do not have. This study borrows the impact of entrepreneurial background on the performance of the CBHFs.

2.2.5 Village Savings and Loan Association Model

Over the past 15 years, CARE International has developed, extensively tested, and replicated a community finance model, the Village Savings and Loan Association (VS & LA) which provides the rural poor with a secure place to save, the opportunity to borrow in modest amounts, and convenient access to these services. It is transparent in its operations, inexpensive to set up, and can be managed by local people, (Allen, 2005).

Originally developed in Niger in 1991, VS&LA is now operating in 18 African, 2 Asian, and 2 Latin American countries. CARE's experience with VS&LA has matured over the years. Beginning with a basic approach designed for impoverished and uneducated rural women, it has evolved to be a suitable option for literate and non-literate people. Numerous development agencies, including International Fund for Agricultural Development (IFAD), Oxfam, Plan International, World Vision, and Catholic Relief Services, have now adopted the model. Evaluations have shown it to be an effective solution to meet the needs of poor people who live in communities that cannot be reached by banks and MFIs, (Allen & Staehle, 2006).

The group sets the amount of the contribution or the share value. After several weeks, the group begins making loans to members, with the loan term and interest rate decided by the group. Most of the loans are used for income-generating activities. The groups use their own savings as the source of loan capital and there is no external long-term dependency either for technical support or for loan fund capitalization. A

group usually begins with a field agent entering a village and holding preliminary meetings to discuss the VS & LA concept. Once new groups have been formed or old groups reinvigorated, the field agent attends the meetings regularly over a three-month period to teach the basic elements: establishment of a management committee, internal rule making, weekly contribution level, loan procedures, interest and penalties, problem solving, and conflict resolution. In non-literate groups, each meeting begins with a recitation of the rules, with each group member responsible for remembering and reciting one rule (Allen *et al.,* 2006).

This model has been used in this study to show the activities of the CBHFs in the slums of Kibera. The CBHFs are highly involved in loans savings of the members and provide cheap means of borrowing money. The way in which the members borrow loans and save provides a useful indicator to measure the performance of the CBHFs.

2.2.6 Village Savings and Credit Organization Model

The World Bank supports community development, livelihood improvement and microfinance through Village Savings and Credit Organizations (VSCOs). Microfinance is part of a larger initiative that supports the efforts of rural communities to identify, prioritize, and fund their development needs through a "direct financing of communities" mechanism, using the community-driven development (CDD) approach, (Mushy *et al.,* 2006).

The basic unit in a VSCO is the Savings Group (SG). A SG consists of five to seven members who save together weekly and lend to each other the amounts that they decide to collect as mandatory savings. A key feature of the SG is its complete independence in terms of determining the membership of the SG and the amount of compulsory savings that the group wants to collect, and managing that money. SGs usually make short-term loans to their members for emergency and consumption purposes, but they may choose to lend to people outside their group or for other purposes. The SG structure makes it possible for people of different economic levels to participate in savings activities. Groups formed of the poorest of the poor may decide to save as little as $0.10[1] per week. Each SG elected chairperson and treasurer. These officers serve for two years and have two main duties: to manage the SG activities and to represent the SG within a cluster. Clusters are formed from a maximum of 6 SGs, and thus have a membership of around 40 people. The Cluster Committee (CC) is composed of chairpersons and treasurers of each SG. The CC is responsible for opening and maintaining a bank account for the voluntary savings of SG members. Voluntary savings can be any amount of money that a SG member would like to save over and above the compulsory savings collected and rotated within the SG, (Mushy *et al.,* 2006).

[1] *1 Dolar ($ 1) = Kenya shillings (Ksh.) 89 (2014).*

The Village Savings and Credit Organization Model is a common feature in the slums. The members of the slums have autonomous groups, which save together and lend money to one another in their daily lives. This model has been used to explain the working of the CBHFs in Kibera and the entrepreneurial concepts adopted at the slums.

2.2.7 Self-Help Group lending Model

Self-Help Groups (SHGs) model are autonomous groups of 10 to 20 people who save money and lend those savings among members of the group. SHGs are often linked to banks or MFIs that provide additional loan capital. The SHG model has been extensively tested and supported over many years by the government-owned National Bank for Agriculture and Rural Development (NABARD) and has been implemented by many other development agencies. In Andhra Pradesh, the World Bank–funded (AP-RPRP) provides a Revolving Loan Fund to federations of SHGs for on lending to SHG members. In Tamil Nadu India, SHGs receive small amounts of seed capital directly from a bank-financed program. According to Harper (2002), SHGs make their own decisions regarding savings and lending policy, and receive training and follow-up from project staff and, in some cases, other support organizations. Federations of SHGs are developed that enable them to obtain services, such as audit and training that would otherwise be difficult to procure.

The World Bank supports microfinance in Andhra Pradesh and Tamil Nadu, India, using the Self-Help Group (SHG) model. The aim is to reduce poverty among the

rural poor, including the poorest of the poor, poor women, and other vulnerable people, through assistance for productive livelihood activities. The projects seek to empower the poor and improve their livelihoods by developing and strengthening civil society and community-based organizations, and providing technical and financial resources to expand livelihood opportunities and mitigate the risks faced by the rural poor, (Puhazhendi and Badatya, 2002).

The Self-Help Group lending Model sheds light on the lending, savings and operations of the CBHFs at slum set-ups. The model helps to understand how the CBHFs initiate the lending and savings of among its members and how the same contributes to their health financing schemes.

2.3 Conceptual Framework

A health system includes all activities whose primary purpose is to promote, restore or maintain individual's physical, mental and social wellbeing. There are different aspects to a scheme, which require performance. One aspect is effectiveness and efficiency in management, while the other is site maintenance of the community scheme (Larsen, 2003). Researchers in entrepreneurship in community-based health financing schemes have established a link between entrepreneurship and an organization's performance, especially with reference to a firm's financial performance. Zahra (2001), found a positive correlation between international corporate entrepreneurship and firm's financial performance, as measured by firm's profits and sales revenue growth. Yasin (2002), found an association between

corporate entrepreneurship and a firm's financial performance. Bragato and Jacobs (2003), state that entrepreneurial activities increase a firm's performance by increasing its commitment to innovation. Establishing an organizational environment, specifically an organizational climate that encourages corporate entrepreneurship, wherein each manager is encouraged to create new things, is of crucial importance and one of the key factors for fostering corporate entrepreneurship in such organizations as the CBHFs, (Larsen, 2003).

Financial institutions need to be improved through provision of non-profit services and should be a demand and necessity oriented, (Namusonge, 1998). In this respect, the government should come up with legislation that will ensure that businesses are properly equipped with skill to utilize fully the portion of money they intend to use for non-profit service without any hindrance and with proper guidance. An integral part of these process management and improvement programme is the status of the monitoring process that supplies information about performance before and after improvement interventions. Thus, performance measurement is an essential requirement for purposeful improvement. This study hypothesized the relationship between the entrepreneurial factors and the performance of the CBHFs in a diagrammatic representation shown in figure 2.1. The independent variables of the study were innovativeness, proactiveness, risk taking, size and location while then dependent variable of the study is the performance of the CBHFs.

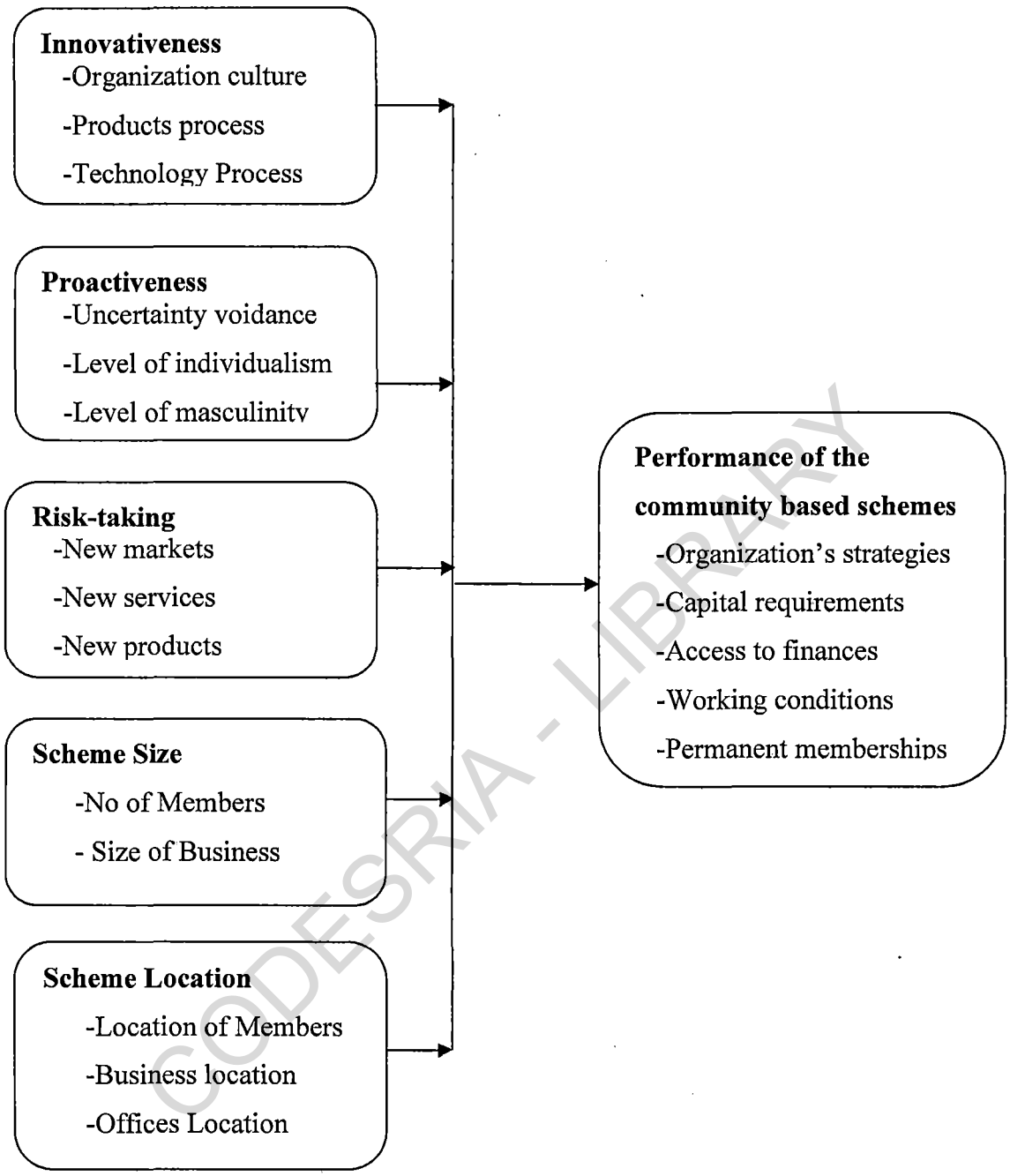


Figure 2.1 Conceptual framework

2.4 Review of Independent, and Dependent Variables

This section presents review of dependent variable adopted in this study. There are five variables under study, which include innovation, proactiveness and risk-taking scheme size and scheme location. This section also presents the variable influencing the performance of the schemes and from which the study determines the effect of dependent variable as shown in figure 2.1.

2.4.1 Influence of Innovation on Schemes' Performance

Drucker (1985) argues that innovation is at the heart of entrepreneurship. An organization-wide entrepreneurial spirit to cope with and benefit from rapidly changing market-place conditions would be possible only if suitable innovative undertakings are established. When these organizational initiatives are supported and coordinated within the organization, the outcomes will be gained as sustainable competitive advantage through innovation in the form of new products, services, and processes, or in a combination of these (Hornsby *et al.*, 2002; Tidd *et al.*, 2001).

To develop an effective innovation process, managers need to focus on not only products, technology and processes, but also on the culture of the organization, its norms, values and beliefs (Gunasekaran *et al.*, 1996). There is a need to develop a climate that is conducive to creativity (Ahmed, 1998), with a strong external focus on multiple stakeholders. Moreover, innovation requires a process of co-evolution between technology and cultural perspectives. Technology exerts a significant influence on the ability to innovate and is viewed both as a major source of

competitive advantage and new product innovation. Often, organizations experience problems in this area, which are caused by lack of capital expenditure on technology and insufficient expertise to use the technology to its maximum effectiveness. According to Namusonge (2004), industrial technology in Kenya was yet to take-off and most MSEs had not even achieved the first level of industrial take-off by the year 2004.

2.4.2 Influence of Proactiveness on Schemes Performance

Knight (1998), argues that the emphasis of proactiveness is on the pursuit of environmental opportunities and the achievement of a firm's objectives by necessary means. Proactiveness centres on organizational pursuits of favourable business opportunities (Lumpkin & Dess, 2001). According to Kreisler and Davis (2010), proactive firm behaviour is negatively associated with the level of uncertainty avoidance in a culture, the level of individualism in a culture; the level of masculinity in a culture; and the level of power distance in a culture. National culture has an important and identifiable impact on the willingness of entrepreneurial organizations to engage in risk-taking and proactive firm behaviours (Kreisler & Davis, 2010).

The main two challenges of new borderless competitive milieu are the shortened product lifecycles and sensitive demand for new products. To deal and survive within this new economic environment, firms try to make the first move to gain competitive advantage (Barringer & Bluedorn, 1999). Particularly, in emerging and transition economies, being the leader is more beneficial than wait and identify strategies,

following the competitors cause to fight for some pie in less market share against the first mover (Carver *et al.*, 2004). Instead of dealing in saturated markets, being fast and the first by finding out the new demand introducing new products or service frequently helps firms to take new position on the way of sustaining competitive advantage.

A number of variables that determine outcome also differentiate the impact on the active poor who receive microfinance. The most important of the variables being the actual motivation as to why the household is involved in the programme, whether for survival or as an opportunity, and the associated household entrepreneurship and managerial capacity and the question of availability of market for the goods and services produced. Whereas some households may experience marginal improvements in welfare after a microfinance intervention, there is also the issue of utilization of unpaid labour, among other social costs. There are also threatening debt management issues by the microfinance participants (Kiiru, 2007).

2.4.3 Influence of Risk-taking on Schemes Performance

Entrepreneurial and non-entrepreneurial behaviours are clearly distinguished with the risk taking features of the individuals and organizations. In this sense, corporate risk-taking is conceptualized as the organizational orientations to go for new initiatives for the purpose of corporate profit and growth by tolerating the possible calculated loses (Key *et al.*, 2002). Conservative and risk-averse attitudes of firms will cause a decrease in market share and even a loss of competitive position (Kanter, 2006).

Successful firms either identify new markets or introduce new services/products to the existing markets or the combinations of two by taking risks to fulfil the market opportunities. While most organizations consider taking risks as an essential part of their success, few have actual policies to encourage risk -taking on the part of their managers and employees. As shown by March and Shapiro (1987), the discussion around the value of risk in most organizations is two sided. While it is often stated that risk-taking is essential to innovation and progress, it is also sharply distinguished from gambling or playing the odds, which has a negative connotation. Managers emphasize this difference because their experience teaches them that the appropriate choices are those involving undesirable outcomes that can be avoided, whereas by gambling they actually mean risk-taking that turns out badly. Thus, risky choices that fail are seen as mistakes that could be avoided, a perception that discourages managers from taking those risks. This results in organizations that reward outcomes, not decisions.

2.4.4 Influence of Scheme Size and Location on the Scheme Performance

The size of a group affects performance in many ways. Key features of large groups are their diverse capabilities, the abilities to exploit economies of scale and scope and the formalization of procedures. These characteristics, by making the implementation of operations more effective, allow larger groups to generate superior performance relative to smaller firms (Penrose, 1959). Alternative points of view suggest that size is correlated with market power (Shepherd, 1986), and along with market power x-

inefficiencies are developed, leading to relatively inferior performance. Theory, therefore, is equivocal on the precise relationship between size and performance. Smaller firms also find it relatively more costly to resolve information asymmetries with lenders, thus, may present lower debt ratios (Castanias, 1983). Empirical evidence from other studies shows that there is a positive relationship between firm size and bank financing (Cassar & Holmes, 2003).

According to Abor and Biekpe (2009), there is empirical evidence of a positive relationship between size and capital structure of SMEs and smaller firms are more likely to depend on equity while larger firms are more likely to use debt. In the case of small firms with more concentrated ownership, it is expected that high growth firms will require more external financing and therefore, would display higher leverage (Heshmati, 2001).

On the other hand, location factors have their bases on location theory that encompasses every type of economic activity that takes place in a geographic space. Location theory explains why certain types of economic activities are established in certain places. In short, location theory deals with the basic question (Puu, 1997).

Location has played almost no role in decision-making processes. It has been a silent, unidentified element in competition. While location was once prominent in economics, it all but disappeared from that discipline as well. As we learn more about competition, however, there is more evidence that location matters. Understanding

the role of location is becoming central to better understanding competitive issues at the firm and the city, state, and country level.

Firms benefit, as well, from knowledge spillover as firms observe and copy (or steal) the best practices of others in their industry (e.g., weaving techniques in Dalton, Georgia). Because of these factors, regional reputations develop (e.g., Venetian glass, Bordeaux wine, Swiss watches), so products carry with them an aura of quality, deserved or not. As well, firms become more efficient, and thus better able to compete in foreign markets. Finally, the drive to be competitive domestically may induce firms to export, hoping to gain a competitive advantage in their home market (Porter, 1990).

These production clusters affect the competitiveness of those firms located away from the cluster, as well as those within the geographic proximity, for local efficiencies set the standard of competition in an industry, regardless of firm location. At the national level, these localization effects are what Porter (1990) describes as the competitive advantages of nations. In this context, advantages are seen as absolute and increasing, rather than comparative and constant.

Within community organizations, there are many variations in terms of size and organizational structure, or the level of knowledge and skills in running their projects. Some CBOs are formally incorporated, with a written constitution and a board of directors (also known as a committee), while others are much smaller and are more informal. However, all CBOs in Kenya that aim to receive recognition or support

from the government or other funding agencies are required to be registered with the Ministry of Social Services, a straightforward process that can be carried out at the local government offices within the district where the CBO operates. They are required to have a management committee consisting of a chairperson, a secretary, a treasurer, and two committee members. They should also have a bank account for depositing their project funds, (Odindo, 2009).

Firms should focus on size in terms of increased profitability as a means of improving their ability to access their choice of sources of entrepreneurial finance. Profit did have some influence on where an SME obtained finances although the findings were not significant in this study. By leveraging on profit, it is possible to convert this into a significant fact that would attract funding. Internal efficiencies must be embraced to minimize waste that increases operating costs and reduces profitability. In this way, SMEs, irrespective of size, are able to optimize their financial and operating ratios which enable them to support higher levels of debt and equity funding, (Njeru, Namusonge & Kihoro, 2012).

Location is an indispensable factor that shapes and determines the success or failure of entrepreneurial development and business activities. Thus, it determines the effectiveness of the entrepreneurial and business activities. Previous studies have revealed that firm performance is directly influenced by individual determinants, external factors and firm characteristics. Kala *et al.*, (2010), have reported that the strategic location of the domestic firms have assisted them in achieving a positive

performance. Thus, location has provided domestic firms with strong force to prosper and succeed in their business. They equally note that location has helped firms in the area of sustainability and simply performance. In his research Orloff (2002), has also provided evidence of effect of location on emergence of entrepreneurs and consequently their performance. The study reported that location plays a vital role in entrepreneurship development.

In his study, Trkman (2009), noted that performance measure is indispensable for entrepreneurial and small firms because it helps them to ascertain the success or failure of the firm and acts as an indicator to achieve sustainable improvement in entrepreneurial and business activities. Accordingly, Murphy *et al.,* (1996) argue, that "accurate performance measurement is critical to understanding new venture and small business success and failure". However, generally, the concept of performance is very hard to operationalize in the field of research especially in the field of entrepreneurship and small businesses. In the contrary, one cannot rule out performance when talking about small firms since the performance of the small firms is being measured by their performance.

2.4.5 Measurement of Performance for Community Based Health Schemes

According to Neely *et al.*, (2005), the performance measurement is the process of quantifying the efficiency and effectiveness of action and measurement is the process of quantification. Knight (1998) and Wangner (2000), in their study expounded how entrepreneurial orientation (EO), influences competitiveness and performance of

firms. The performance of CBHFs, and its contribution to effective and equitable health systems, is modest, although many schemes are still relatively young and would need more time to develop. Harrison *et al.*, (2004), concluded that the firm's size of the business as defined by the number of permanent employees, made a significant difference in how the business perceived the importance of bootstrap financing techniques applied. However size as defined by the number of employees was found by Gregory *et al.*, (2005) as having correlations with ability to access certain source of financing associated with boosting trapping strategies. They suggest that the smaller the business place, the greater the importance on the application of bootstrapping techniques than larger businesses. The same authors concluded that the size, as dictated by the volume of annual sales generated, might not explain the ability to access finances, since both small and large businesses have different growth intentions and thus different capital requirements.

Performance measurement systems succeed when the organization's strategy and performance measures are in alignment and when senior managers convey the organization's mission, vision, values and strategic direction to employees and external stakeholders. The performance measures give life to the mission, vision, and strategy by providing a focus that lets each employee know how they contribute to the success of the company and its stakeholders' measurable expectations.

The overall success/failure of the organization is the successful deployment of an integrated performance measurement system that is related strongly to developing a

successful system of accountability, that is, managers and employees alike (NPR, 1997). For organizations that operate for, and on behalf of, government institutions and for-profit enterprises, maintaining good relations with the community and other stakeholders is an important element in measuring success. In a sense, the community/stakeholders allow the organization to operate as long as conformance to laws is maintained (Atkinson 1997).

Community based schemes performance measures include an assessment of the organization's reputation in the community, an assessment of the scheme's performance in public health and safety and environmental protection, economic impact and corporate citizenship efforts within the community and Compliance to laws/regulations. (Atkinson 1997).

The performance measurement systems should be designed, implemented and managed as part of a strategic management system. The measures should be derived from strategy and should provide consistency for decision-making and action. Performance system should accomplish the requirements of specific situations in operations, be long term oriented and simple to understand and implement; be linked to reward systems (Tsang *et al.*, 1999) and financial and non-financial set of measures and should be coherent and consistent with the strategic framework (Drucker, 1990).

2.5 Critique of the Existing Literature

This study used of the information from Kenya, African and developing countries in Asian market. Entrepreneurial ventures in Kenya have wildly evolved and can be identified in business enterprises in Kenya today. Theories of entrepreneurial financing have basically evolved in the Asian markets and more specifically on financing community based organization, offering the financial capability to the community and village dwellers than in the developing informal settlement in Kenya.

Developing economies in Asia and part of Africa have indicated a highly level of integration in the equity financing in the informal sector by promoting village savings and loan association, village savings and credit organization, enabling the most disadvantaged informal dwellers by boost their livelihood. Considering that the financial infrastructures in Kenya are developing and lack significant information in regard to equity financing as compared to developed market, there is need for the research and empirical inquiry to expound how entrepreneurial venture in informal settlement access finance.

In Kenya, access to finance by the villages and informal settlements poses a challenge as compared to other developing countries. Although research on community base organization has gained momentum, there is a lack of uniformity among researchers on how to measure organizations entrepreneurship. Both objective and subjective measures have been used by researchers to measure organizations entrepreneurship.

Some of the commonly used objective measures to assess organizations entrepreneurship include product innovations.

From the literature review, literature on CBHFs has been descriptive and isolated in terms of context. The few studies that have been done are comparative and not comprehensive in their outlook. The literature has been keen to point out specific issues while wearing a blind eye on others. CBHFs have been looked at from the process point of view as production systems. Informal financing possesses high level of advantage of flexibility in financing and convenience, which in hand poses leveraged financing strategies to most disadvantages and more specifically to informal settlements.

From the literature review, it can be noted that Kenya is disadvantaged by week information on entrepreneurial data and information system to support the community based organizations and more specifically to the informal settlements. The current literature, general information, general knowledge and awareness in Kenya are in adequate. This can be said to have been attributed by the government failure to educate the citizens on the available option in credit financing. Entrepreneurs need information and the government needs to educate Kenyan through the available systems on business financing, credit financing, community based financing and entrepreneurial Venture financing.

2.6 Research Gaps

There are several studies done locally and internationally on community based health financing schemes: Jakab and Krishnan, (2004) in their study to investigate a programme launched in Bamako, Mali by UNICEF and a group of African health ministers in 1987 found that the Bamako Initiative called for greater community involvement in healthcare at the local level. The imposition of user fees at public health facilities across many health systems in Sub-Saharan Africa in the 1980s resulted in diminished levels of access to healthcare services.

Collection performance is especially difficult to assess, even in CBOs that have record-keeping systems. This is illustrated by an institutional assessment of SHGs in Tamil Nadu that found that nearly 50% of the SHGs sampled did not have financial statements, and those that did have them did not maintain a loan-tracking system that permitted an assessment of portfolio quality. In some ways, CBHF schemes can be viewed as a means of implementing one of the central tenants of the Bamako Initiative: Local community members should be involved in both the collection and control of revenue for healthcare. In his study, Wang'ombe, (2002) also did a local study on financing medical care through insurance: policy lessons from household and community level analysis in Kenya.

Previous studies on CBHFs have not focused on entrepreneurial dimensions influencing performance of community-based health financing schemes at Kibera informal settlement in Nairobi for example; Carrin, Waalkens and Criek (2005) did a

study on Community-based health insurance in developing countries and its contribution to the performance of health financing systems. Basaza, Pariyo and Criel, (2009), did a study on the emerging features of community health insurance schemes in East Africa with an objective to provide comparative description of community health insurance (CHI) schemes in three East African countries of Uganda, Tanzania, and Kenya and thereafter provide a basis for future policy research for development of CHI schemes.

There is no known study that has been done on entrepreneurial factors influencing performance of community-based health financing schemes at Kibera informal settlement in Nairobi City County, Kenya, a knowledge gap.

2.7 Chapter Summary

The theoretical literature reviewed covered Schumpeter's theory of innovation Kreisler's theory of risk-taking and proactiveness. In Schumpeter's theory, the dynamic entrepreneur is the person who innovates, who makes "new combinations" in production. According to Schumpeter (1939), innovation involves creation of a new good or new quality of good; creation of a new method of production; the opening of a new market; the capture of a new source of supply, and a new organization of industry. Kreisler's theory of risk taking posits that organizational risk-taking is negatively associated with the level of uncertainty avoidance and with the level of power distance but positively associated with the level of individualism in a culture and with the level of masculinity in a culture. With regard to proactiveness,

individuals want to be proactive or see value associated with being proactive to change a particular target. Motivation is important in proactive goal processes particularly for very long-term oriented proactive goals (Lachine & Wolf, 2003).

The empirical literature has discussed risk- taking, innovation Organizations consider taking risks as an essential part of their success. Risk-taking is essential to innovation and progress (March & Shapiro, 1987). Innovation is at the heart of entrepreneurship (Drucker, 1985) and organizations gain competitive advantage through innovation (Hornsby, *et al.*, 2002, Tidd *et al.*, 2001). To develop an effective innovation process, managers need to focus on products, technology and processes, and culture of the organization. (Ahmed, 1998) carried out co-evolution between technology and cultural perspectives. Financial sustainability entails the ability of organizations to cover all their costs from income generated in their own operations (Thapa *et al.*, 1992) or the ability to keep going on toward organizational objectives without donor support (Dunford, 2003). Financial sustainability depends on sustainability of the organization, suitability of the market, sustainability of legal policy as an enabling environment and sustainability of the impact they have on the poor (CGAP, 2004).

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used for this study. It aimed at discussing the research design, its characteristics and why it was preferred over other research designs. It also provides information on the population of the study, some background and key characteristics of the CBHF schemes which were studied. The chapter examines the target population and provides information on data collection method and the data collection instrument that were used in the case study. The chapter also looks at the research procedure including the pretesting and administration of the questionnaire. Finally, the chapter presents the data analysis method to be used and how the statistics generated from the study were analyzed.

3.2 Research Design

This study adopted descriptive research design. According to Coopers and Schindler (2011), descriptive studies are more formalized and typically structured with clearly stated hypotheses or investigative questions. It serves a variety of research objectives such as descriptions of phenomenon or characteristics associated with a subject population, estimates of proportions of a population that have these characteristics and discovery of associations among different variables. The descriptive studies portray the variables by answering who, what, and how questions (Babbie, 2004).

The study used mixed method where both qualitative and quantitative data were used. A mixed method is a procedure for collecting, analyzing, and "mixing" both quantitative and qualitative. This study used mixed research to identify and analysis and describes the relationship between the innovation, proactiveness risk- taking, size and location and the performance of informal settlement schemes.

Qualitative research is often regarded as a precursor to quantitative research, in that it is often used to generate possible leads and ideas, which can be used to formulate a realistic and testable hypothesis. This hypothesis can then be comprehensively tested and mathematically analyzed, with standard quantitative research methods. The study used the qualitative data to achieve establish the influence of the size and location of the CBHFs on the performance.

Quantitative research places the emphasis on measurement when collecting and analyzing data. Quantitative research is defined, not just by its use of numerical measures but also that it generally follows a natural science model of the research process measurement to establish objective knowledge (that is, knowledge that exists independently of the views and values of the people involved. This method was preferred because it allows for prudent comparison of the research findings. This study, therefore, adopted mixed method which also used both qualitative and quantitative techniques of data collection to describe the impacts of entrepreneurial factors on the performance of the CBHFs.

3.3 Target Population

For the purpose of this study, the target population of this study were all the registered members of the CBHFs based in Kibera, (Appendix 3), the CBHFs managers, government and the donor community involved in the financing of the CBHFs. There are eight (8) CBHFs based in Kibera informal settlement (AMREF, 2010), with a total population of the 36293. The sample population was drawn from eight identified community based health financial schemes.

3.3.1 Sampling and Sample Size

The population of this study was eight registered CBHF schemes in Kibera informal settlement. From the eight identified community based health financial schemes, the study sampled from the five most populated schemes which are Fri Pals-Mashimoni, MSF-Lindi, Ushirika-Kianda, Jamii Bora trust and Chemi-Chemi. This sample was taken from four of the registered population where the pilot test was not done. These CBHFs had a total population of 24,656.

Slovin's formula was used to calculate the sample size (n) given the population size (N) and a margin of error (e). It is computed as:

$n = N / [1 + N(e)2]$

n = The sample size

N = Target population

e = Error of tolerance

Since the study population (N) was 24,656 and the study was based on a confidence level of 95% the margin of error was 0.0632. Thus the sample size was determined as shown below:

$n = 24,656/[1+24,656\ (0.0632)^2]$

$n = 247.8 \equiv 250$

The sample size for the study was thus 250. The study used randomised stratified sampling to get the respondents from each CBHF as shown in table 3.1. Since the population of the study was homogeneous, the study adopted an equal sample size of 50 members to represent each CBHF.

Table 3.1 Sample size of the CBHFS

CBHFS	Sample
Ushirika-Kianda	50
Jamii Bora trust	50
Chemi-Chemi	50
MSF---Lindi	50
Fri Pals-Mashimoni	50
Total	**250**

According to Kothari (2010), proportional allocation is considered most efficient and an optimal design when the cost of selecting the item is equal for each stratum, there is no difference in within-stratum variances and the purpose of sampling happens to estimate the population value of some characteristic. In case the purpose happens to

be to compare the differences among strata, then equal sample selection from each stratum would be more efficient even if the strata would differ in sizes (Kothari, 2010).

3.4 Data Collection Instruments

This study collected both primary and secondary data. The study employed questionnaire and interview guides to collect the primary data. The study used interview guide to collect data from key informants, which gave a lot of insights, key information and ideas in this study. Closed and open ended pre-designed questionnaires for all level managers and the registered members of the schemes were self-administered through research assistant and collected from sampled schemes.

Secondary data were collected from books, journals and CBHF schemes report. These secondary materials helped the study to access the relevant past information on the activities of the CBHFs. To minimize the negative effects, the researcher included an introductory letter explaining the aim of the study, d to observe confidentiality. The researcher undertook aggressive follow-up to ensure that quality data were collected and high percentage rate of the respondents completed the questionnaire fully. Interview guides involved the collection of data through face-to-face interview from the key informants.

3.5 Data Collection Procedure

Primary data was collected using both questionnaires and interviews. Primary data included both structured and semi-structured questionnaires, which were administered

to both the members and Level managers of the four sampled registered schemes. The researcher dropped the questionnaires to the respondents through hand delivery and gave the respondents time to fill the questionnaires. The filled questionnaires were collected at a later by the researcher.

The interviews were done on the key informants. These included all the relevant stakeholders, schemes CEO, scheme managers, registered members, counterparts in the Ministry of Health and donor community engaged in financial support. The interviewer took notes as the interviewees gave their opinions. Information from key informants was analyzed through content analysis and represented in prose form.

3.6 Pilot Study

Before venturing into actual research, a pilot study was carried out. The researcher pre-tested the instruments on MSF-Lindi, Undugu, K-Rep, and Juhudi group CBHF schemes. Since population was large, the schemes were not included in the sampled population. The subjects of the pilot study were five male and five female management staff of CBHF scheme. The pre-test subjects were encouraged by the researcher to make comments and give suggestions concerning the items. This enabled the researcher to identify items, which were ambiguous and reconstruct them, or any item(s) that were considered not quite relevant to the study.

3.6.1 Validity

Validity as noted by Robinson (2002) is the degree to which result obtained from the analysis of the data actually represents the phenomenon under study. Validity was ensured by having objective questions included in the questionnaire. This was achieved by a thorough review of the study tools to identify and change any ambiguous, awkward, or offensive questions and technique as emphasized by Cooper and Schindler (2011). Content validity is concerned with sample-population representativeness that is the knowledge and skills covered by the test items should be representative to the larger domain of knowledge and skills (Cronbach, 1971).

3.6.2 Reliability

Reliability refers to the accuracy and precision of a measurement procedure (Copper and Schindler 2003). It measures the degree to which a research instrument gives consistent results. Reliability indicates the extent of unbiasness (error freeness of the data). It reflects the internal consistency of the items across the tools and hence ensures consistent measurement across time and across the various items in the instrument. It helps in understanding the stability and consistency with which the tool measures the concepts under review (goodness of measure).

The variables were tested for consistency using Cronbach alpha (Cronbach, 1971). A construct composite reliability co-efficient (Cronbach alpha) of 0.7 or above, for all the constructs, was considered adequate for this study.

$$\propto = \frac{KC}{V + (K-1)C}$$

Where $\propto$= Cronbach alpha value

Where K= the number of components

V= average variance

C= average of all covariance between the components across the variables.

3.7 Data Analysis and Presentation

Analysis of data involved coding open-ended questions, entry and data cleaning. Quantitative data obtained from the questionnaire was analyzed using Statistical Package for Social Sciences (SPSS) software version 21. Content analysis was used to analyze qualitative data. In the process, statements were studied, organized and presented in prose form in order to draw some meaningful conclusions from the data.

Descriptive statistics such as measures of central tendency were used to describe levels of dispersion. The relationship between factors influencing performance of CBHFs and the variables (innovation, proactiveness and risk-taking) as per the findings of this study were determined based on descriptive statistics obtained.

The study adopted a linear multiple regression model to establish the effects of the variables to performance. This was done to determine the effect of changes in the independent variables on the dependent variable. Collinearity statistics such as the

tolerance level and Variance Inflation Factors (VIF) values were done to detect whether there was any problem of Multi-Collinearity.

The study hypothesizes that innovation, proactiveness, risk taking, size and location of the CBHFs as influencing the performance of the CBHFs. This relationship has been represented in a linear regression equation shown.

Log $Y=\beta_0 + \beta_1$ log Innovativeness + β_2 log Proactiveness + β_3 log Risk taking + β_4 log location + β_5 log size + ε standard error (statistical term)

Where Log Y = log CBHF performance

Where Y = Dependent variable (Performance of the community based health Financing schemes)

β_0 = Constant term (Represents performance when other factors are held constant)

β_1 = Coefficient of log Innovativeness

β_2 = Coefficient of log proactiveness

β_3 = Coefficient of log Risk taking

β_4 = Coefficient of log location

β_5 = coefficient of log size

ε = standard error (statistical term)

3.8 Measurement of Variables

For the purpose of conducting the analysis in this study, three dependent variable were taken into consideration, namely; innovation, proactiveness and risk-taking. In each Variable, different measures were used including the ANOVA test, Pearson correlations, chi-squire and test for the normality of the data, using Shapiro Wilk test analysis. Analysis of Variance (ANOVA) test was done to test the extent of variation within each of the sample relative to the amount of variation between samples before conducting multiple regression analysis, which is a test of multi- collinearity. Analysis of variance was used because it makes use of the F-test in terms of sums of squares effects over sums of squares residual (Mugenda 2008; Sekaran, 2008; William, *et al.*, 2010).

The study used Pearson bivariate correlation coefficient to test the relationship between independent and dependent variables. This is a measure of how closely related two variables are measured at interval/ratio level. Correlation ranges from -1.0 to 1.0. Where -1.0 indicates perfect negative relationship while 1.0 indicates perfect positive relationship. This study calculated the correlation values using Pearson bivariate coefficients to determine the extent of relationship between independent variables and dependent variable.

The study used chi-square to test whether there were significant relationships and differences of the variables with regard to the demographic features. The chi-square

tests were done to compare whether demographic characteristics of the respondents had any influence on the opinions of the respondents.

To test for the normality of the data, a Shapiro Wilk test was done. This was done since the sample tested was less than 2000 and Kromogorov Smirnov was not applicable. Thus, Shapiro Wilk was used to test whether the data had normal distribution. The data was transformed using logarithmic transformation to make it suitable for further mathematical transformation.

Primary data was collected by use of a structured questionnaire and interview guide. Questionnaires are designed to address specific objectives, research questions or to test hypotheses (Mugenda, 2008), which the questionnaire in the study was meant to achieve. Secondary data was collected from available published and unpublished literature as indicated by Wanjau, (2008).

3.8.1 Measurement of Independent Variables

Psychometric measures were used to analyze the variables under study, which include:

a) Innovation

Innovation was assessed based on innovative dimension that influence performance of CBHFs. The assessment was done on a five Likert scale with 1= very great existent, 2= great extent, 3= moderate extent, 4= low extent, 5= no extent. The respondents were further asked to rank the different innovative characteristics on how

they influenced performance of CBHFs, under a scale of (0) = negative; (1) = minimum; (2) = rarely; (3) = No; (4) usually; and (5) = maximum level.

b) Proactiveness

The dimensions of proactiveness were assessed by generating descriptive statistics (mean and standard deviation) from responses rated on a five Likert scale with 1= very great existent, 2= great extent, 3= moderate extent, 4= low extent, 5= no extent, were used to assess responses from schemes respondents. The respondents were further asked to rank the different proactiveness characteristics on how they influence performance of CBHFs, under a scale of (0) = negative; (1) = minimum; (2) = rarely; (3) = No; (4) usually; and (5) = maximum level.

c) Risk-taking

The factors that enhance effectiveness of risk taking in enhancing performance of CBHFs were assessed on five Likert scale with 1= very great existent, 2= great extent, 3= moderate extent, 4= low extent, 5= no extent, were used to assess responses from schemes respondents. The respondents were further asked to rank the different risk undertaking characteristics on how they influence performance of CBHFs, under a scale of (0) = negative; (1) = minimum; (2) = rarely; (3) = No; (4) usually; and (5) = maximum level.

d) Scheme Size

The factors that influence the size scheme were determined by the number of scheme members, size of the business and the gross profit gained from the institution. This information was acquired from the respondents using a descriptive statistics acquired from the respondents on a 5-point Likert scale of 1 to 5 where the scale was presented with 1 representing strongly disagree and 5 representing strongly agree. In the continuum, 2 represented disagree, 3 for neutral and 4 agree.

e) Scheme Location

The factors that influence the location scheme were determined. The scheme location was assessed by generating descriptive statistics from a 5-point Likert scale of 1 to 5 similar to that of scheme size. According to the scale, 1 represents strongly disagree, 2 represents disagree, 3 for neutral, 4 agree and 5 represents strongly agree, on question relating to respondents distance to various CBHFs and their needs to meeting their financial needs.

3.8.2 Measurement of Performance

For the purpose of conducting the analysis in this study, one independent variable was taken into account, namely; the performance of the community based schemes. The variable was measured by assessing CBHF schemes performance in terms of innovativeness, proactiveness, risk-taking, and scheme size and location. The change in coefficients of the variables, X_1, X_2, X_3, X_4 and X_5 had an influence in change of (Y) performance of CBHFs. If the P value associated with this test was less than 0.05,

Null hypothesis was rejected. If the P value associated with this test was above 0.05, Null hypothesis was accepted. Then the Xs (independent variables) were considered to have a significant influence in (Y) performance of CBHFs. If the p-value associated with this test was less than 0.05, the null hypothesis above was rejected. The magnitude for the standardized variable helped to determine the effect on size. The sign (+ ve or – ve) indicated the direction (Skewness) of the influence or effect. The researcher assumed a 95% confidence level while testing the hypotheses. The 95% confidence level was used to allow tolerance considering f-tests yielded better coefficients at 95%. The data was presented using statistical techniques, graphical techniques and a combination of both to indicate the results of the analysis and better conclusions. The multiple linear regression models were used for the purpose of this study.

CHAPTER FOUR

4.0 RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the results of statistics analysis aimed at evaluating the entrepreneurial factors influencing performance of community based health financing schemes, along with discussion contextualized in the lights of the previous studies. The study had three research objectives, which were to: evaluate the creativity and innovative practices that promote and enhance performance in Community Based Health Financing Schemes; determine the dimensions of how proactiveness enhance performance of Community Based Health Financing Schemes; and the extent the Community Based Health Financing Schemes considers risk-taking as a way of enhancing sustainability, at Kibera informal settlement in Nairobi City County. The main instrument used to seek information on this study was a self-administered questionnaire.

4.2 Bio Data Information

The study acquired biographical information on the study area that was used to provide a better understanding of the population under study and the conditions that surrounded the study. The bio data is presented as the response rate, reliability test, and the demographic information in the study.

4.2.1 Response Rate

After the data coding, data entry and a prelude to data analysis, data were explored to isolate, identify and rectify any inconsistency. A total number of 186 questionnaires were filled and collected from the 250 questionnaires originally distributed among the CBHFs. These represented an overall response rate of 74.4%. However, the remaining 64 questionnaires were not returned and some were not complete, these questionnaires represented 26%. This response rate was considered adequate for analysis because it was over 60% which is recommended adequate by Mugenda and Mugenda (2003), a 50% response rate is adequate for a study, 60% is good for a study and 70% is excellent for analysis. Thus, a response rate of 74.4% was considered good and valid for analysis, drawing of conclusions and making recommendations. This is illustrated in figure 4.1.

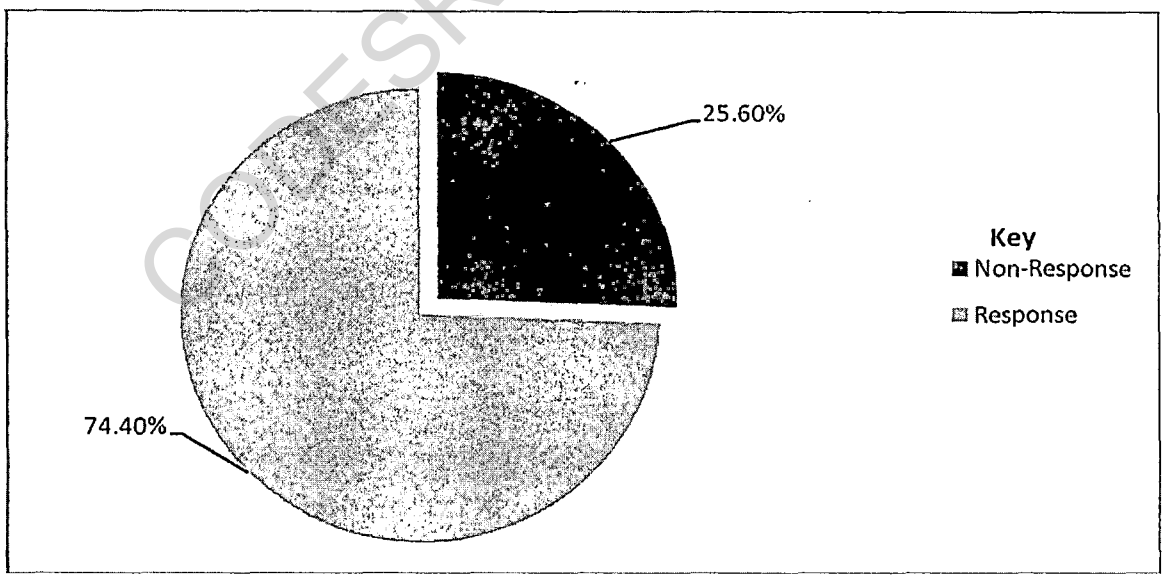


Figure 4.1 Response rate

4.2.2 The Reliability Test

The study used Cronbach alpha to determine the extent of reliability of the research tools. The Cronbach Alpha reliability using the rule that the closer the alpha is to 1, the higher the reliability. According to the study, the threshold value for the Cronbach Alpha was 0.7 as per the study analysis results. The results of the reliability analysis are shown in table 4.1.

Table 4.1 Reliability results

Factors under study	Number of items	Cronbach Alpha
Innovativeness	11	0.839
Proactiveness	9	0.768
Risk Taking	8	0.701
Performance	14	0.705

Table 4.1 indicates that the data tools were consistent in collecting data on all the objectives of the study. From the findings, data collected on entrepreneurial factors on innovativeness indicated a reliability result of (0.839), proactiveness indicated a reliability result of (0.768), risk-taking indicated a reliability result of (0.701) and performance indicated a reliability result of (0.705). Cronbach Alpha value of more than 0.7 was used in this study, indicating that the tool was highly consistent and reliable.

4.2.3 Demographic Information

This section discusses the demographics information about the community based health-financing schemes that were involved in this study. The demographic information shows the various CBHFs in the Kibera informal settlement. According to face-to-face interview with the current CBHFs members registered with the active CBO and CBHFs, a number of CBHFs have closed their office due to lack of government support and withdrawal by the non-governmental organization. Conflict of interest by management too has led to the misuse of funds hence reduction of the CBHFs groups. Currently, there are over eight CBHF schemes in Kibera informal settlement. The CBHFs in Kibera informal settlement are heterogeneous in nature, majority of them derive their support from healthy related non-governmental organization. The non-governmental organization has their support coming directly from their host countries and through their support offices based in Kibera informal settlement. Majority of the CBHFs seem to have a gender disparity whereby a female composition of all CBHFs dominated the membership as compared to male membership, while others were female CBHFs grouping. This study, therefore, sampled five schemes which includes; Fri pals-Mashimoni; MSF- Lindi; Ushirika Kianda; Jamii bora trust and Chemi-Chemi. These CBHFs are self-managed assisted by non-governmental organization and less support from the government. Table 4.2 shows the various CBHFs where the study data were collected from and the names of the respective CBHFs.

a. Number of respondents in each of the CBHFs

This portion provides information the number of respondents who responded in each of the CBHF. The names of the CBHFs are important as they act as references for future studies. The data for this study were collected from the CBHFs in Kibera and are as presented in table 4.2.

Table 4.2 Name of CBHF involved

Sampled CBHFs	Frequency	Percent
Fri pals-Mashimoni	10	5.4
MSF- Lindi	28	15.2
Ushirika Kianda	51	27.7
Jamii bora Trust	52	28.3
Chemi-Chemi	43	23.4
Total	**184**	**100.0**

Table 4.2 shows the number of respondents from each of the CBHFs where the study data was collected. From the findings shown, 52 of the respondents were from Jamii Bora Trust, which accounted for 28.3% of the total respondents. This could be due to the high numbers of the CBHFs. The second CBHF, which had many respondents, was Ushirika Kianda with 51 members accounting for 27.7% followed by Chemi-Chemi, which had 43 respondents making 23.4% of the total respondents. These CBHFs had high numbers of members. A total of 28 respondents were from MSF-Lindi accounting for 28% and 10 (5.4%) from Fri pals-Mashimoni. The uneven

numbers of respondents from each CBHF are attributable to the differences in the number of members in each CBHF.

b. Number of active members

This portion provides information on the number of members in the CBHFs who were active at the time of the study. The number of active members in a group defines how the active a group is in performing its activities. This study collected data on the numbers of active members in each CBHF. Figure 4.2 present these outcomes as shown.

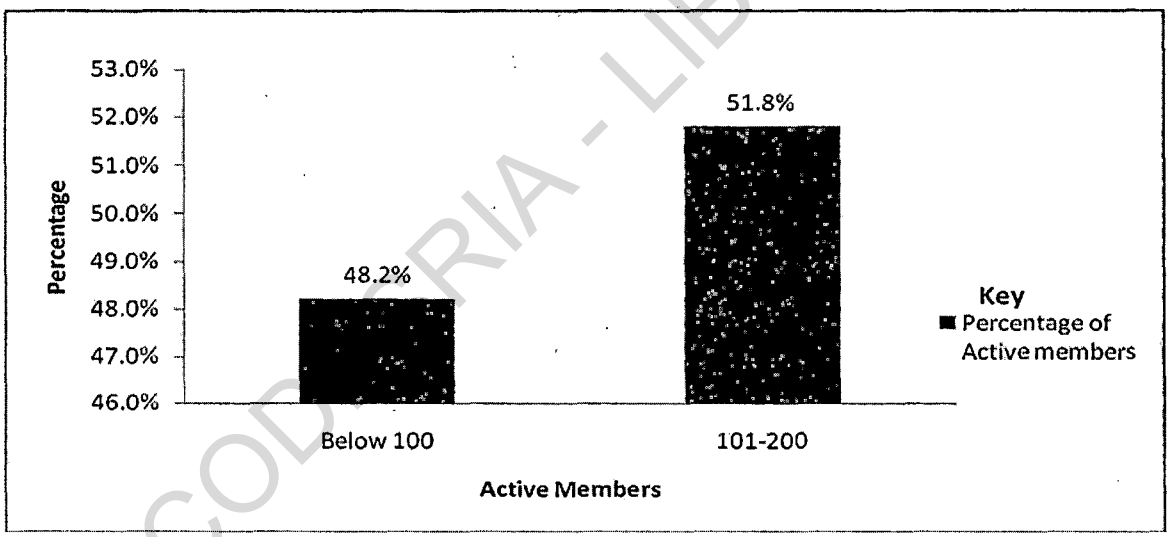


Figure 4.2 Number of active members

Figure 4.2 shows the number of active members in the CBHFs. According to the findings, majority (51.80%) of the CBHFs in Nairobi City County have active members ranging from 101-200. The rest 48.20% have less than 100 members. The number of the active members has grown following the growth and development of

the CBHFs. The growth in numbers of the active members is an improvement since it helps to run the activities of the CBHFs cheaply and locally (Allen, 2005. Some of the CBHFs have established themselves and have gone to an extent of opening branches within the informal settlement and spreading to other informal settlement. Jami Bora as one of the CBHFs had developed to bank extending its services not only to its members by establishing its avenue opening the banks even at the major cities including Nairobi City County and towns in its environs.

c. Position in this CBHF

This section discusses the workplace position in the five CBHF schemes. The respondents who participated in this study held different positions in their respective CBHFs. Among the interviewed were the CEO, top level manager, administrator, CBHFs members and others who included the representative of the financer', and respective non-governmental officials associated with the CBHFs. The distribution of the respondents in the CBHFs is shown in table 4.3

According to table 4.3, majority of the respondents who took part in this study were ordinary members (88%). Others were administrators (7.1%), level managers and CEOs with a frequency of 1.6% CEO had a frequency of 1.1% indicating that majority of CBHFs depended much on the CEO, than having level managers who have been represented by a 0.5%. This also depicted that the CBHFs did not have an organization structure and depended much on group leaders as opposed to administrative structure. Others included the non-governmental official and

government officials. The members are drawn from various communities from the informal settlement.

Table 4.3 Position in this CBHF

CBHFs Stakeholders	Frequency	Percent
CEO	2	1.1
Top Level Manager	1	.5
Administrator	13	7.1
Member	162	88.0
Other	6	3.3
Total	**184**	**100.0**

The administrators of the CBHFs are elected from the members who are mandated to act on behalf of the other members; they coordinate their members and facilitate development of the activities of the groups in each CBHF. The non-governmental officials are the representatives of the NGOs who are appointees from their headquarters, mainly their work is to coordinate and control the funding. The NGO officials are from different countries depending on which country is funding the project. These countries are not members to the groups; they include countries from eastern and western Europe.

d. Years of membership with the CBHF

This section narrates about the time period the members have been in a particular CBHF. The number or the duration of stay in a particular place indicates the experience a member has in a specific CBHF. In this study, the respondents were

requested to indicate the duration they had stayed in CBHFs in years. The results are shown in table 4.4.

Table 4.4 Years of membership in the CBHF

Years worked	Frequency	Percent
Less than 1 year	10	5.40
2 - 5 years	86	46.70
6 - 9 years	81	44.0
10 years and above	7	3.80
Total	**184**	**100.0**

According to findings shown in table 4.4, about 86 respondents had been associated with the CBHFs for a period between 2 - 5 years. In addition, 81 respondents had been linked to the CBHFs for a period between 6-9 years. Others had experience with the CBHFs for a period of less than one year. Respondents with over ten years had the lowest frequency. The frequencies indicated the period for which most CBHFs have been in operation. From the above findings, it is evident that most of the respondents had experience with CBHFs over more than two years. The finding indicates that over the last 10 years less or a few members were registered with CBHF schemes. This implies that few CBHF were in existence or people had little knowledge about the benefits of the CBHFs. Members with less than one year had a slightly a high margin as compared with over 10 years of working, this indicates that

there is a high level of people associating themselves with the CBHFs leading to a high membership in second year and above.

e. Duration CBHF have been in Operation

This section discusses the duration that the CBHFs has been in operation since it was registered as a CBHF scheme. The research study collected data on the duration of existence of the CBHFs from the five sampled CBHFs in the Kibera informal settlement. The results are shown in table 4.5. The distribution ranges from less than 1 year, 2 - 5 years, 6 - 9 years and over 10 years for the duration that a CBHF has been in operation since it was registered.

Table 4.5 Duration CBHF have been in operation

Years in Operation	Frequency	Percent
Less than 1 year	4	2.20
2 - 5 years	22	12.00
6 - 9 years	149	81.0
Over 10 years	9	4.9
Total	**184**	**100.0**

From the findings shown in table 4.5, 149 (81%) respondents indicated that their CBHF had been in operation for a period of 6-9 years. This implies that most of the CBHFs were established between 2006 and 2001. The twenty-two frequencies, (12%) respondents indicated that their CBHFs had been in operation for a period between 2-5 years. This represents some of the recently established CBHFs. Some of the CBHFs

(4.9%) had been in operation for more than 9 years. Significantly, to note is the low number of CBHFs in Kibera before 2000. This shows that most of the CBHFs were established during the year 2000-2010 This implying that there has been an increased involvement in the CBHF schemes by people in Kibera informal settlement over the last decade than in preceding periods. According to Zollo and Winter (2002), the key driver of improved performance is increasing cumulative experience. This is because organizations, teams, and individuals each develop routines for solving problems since learning then consists of the process of exploring, selecting and replicating new routines for performance improvement (Zollo and Winter, 2002).

f. Services and Products members have benefited from the CBHFs

The following section indicates the services and products offered by various CBHFs in Kibera informal settlement. The study collected data on the types of products and services offered by the various CBHFs. The products and services are offered by CBHF schemes drawn from the five sampled CBHFs in Kibera informal settlement. The results are shown in figure 4.3.

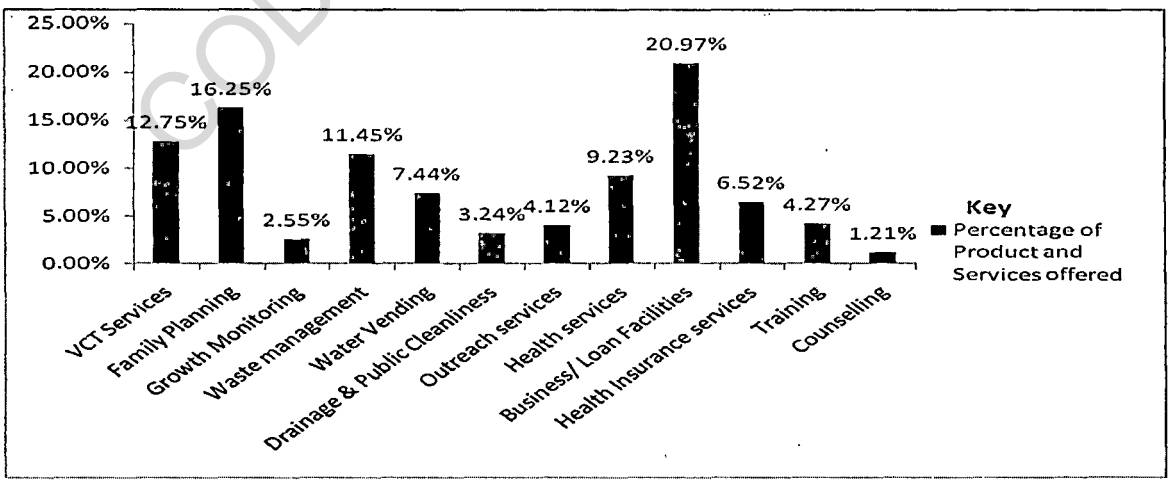


Figure 4.3 Services and products offered by CBHFs

All the CBHFs in Kibera informal settlement offered loan/business facilities indicated by (20.97%), other services and prodcuts which were mostly offered by the CBHFs were family planning services (16.25%), VCT services (12.75%) and waste management services (11.45%). Training, counsellng and growth and monitoring are services given by the CBHFs to its membres through its administration office. Members educate themselves through tarining and conselling each other through their team leaders and monitoring their activities to avoid defauts and losing focus. Training, counsellng and growth and monitoring activities are not core activities of the CBHFs but they enhance growth and deveolpment of the CBHFs. VCT services, Family planning, heailth care services, health insurance services are the main services offered by CBHFs towards the member registered to any CBHFs.

The services are not common in every CBHFs though to some extent and on emergency cases they are extended to none members. These services towards the CBHFs members are geared towards enhancing CBHFs members in deveopment and growth in their activities.

Waste mangement, water veding, drainage and small busines entreprices activities, business/ loans facilities are the main acivities engaged by the CBHFs members. The members engage themselves as groups doing different business activities that generate some income. The activities are sponsored through small loans with colateral securities and which are individaul or co-owned CBHFs with banking facilities loaned its members on the basis of their saving, through colateral guarantee or group security where members to a group and as a security to its members in its own group.

Different CBHFs groups are engaged is similar or different activities. This revealation is in accordance with Puhazhendi and Badatya (2002) argument of that Self-Help Group (SHG) should empower the poor and improve their livelihoods by developing and strengthening civil society and community-based organizations, provide technical and financial resources to expand livelihood opportunities and mitigate the risks faced by the rural poor.

4.3 Innovativeness of the CBHFs

This section discusses the extent to which the CBHFs have adopted the market, product and service innovativeness in their scheme. The study collected data on the innovative to understand the level of adoption in regard to product innovation, production process and technological realization, quality and product improvement of goods produced. Table 4.6 outlines the levels of the adoption.

Table 4.6 shows the level of adoption and aspects of innovativeness on the CBHFs. The data were collected on a Likert scale of 1 to 5. According to the scale, 1 represents no extent and 5 represents very great extent. In the continuum, 2 represents lower extent, 3 for moderate extent and 4 great extents. The data were analyzed using descriptive statistics of mean and standard deviation. According to the study, those variables with a mean close to 4.0 represented "great extent" while those with a mean close to 3.0 represents "moderate extent" and those with a mean of 2.0 and below represented low extent and no extent at all. At the same time, the respondents used standard deviation to indicate the extent of consensus.

Table 4.6 Innovativeness

Innovativeness level in adoption	N	Mean	Std. Dev.
Product innovation has changed in time	183	4.36	0.82
Product production process has changed in time	183	4.34	0.92
Process innovation has changed with time	183	4.33	0.87
Technological change/innovation has been realized	183	4.21	0.97
There has been increase in range of goods	182	4.11	0.87
Improved quality of goods or services increase value added	179	4.46	0.71
Improve flexibility for producing goods or services	183	3.97	0.86
Increase capacity for producing goods or services	182	4.39	0.77
Reduce environmental impacts	182	4.16	0.84
Improve health and safety	182	4.47	0.73

From the findings, respondents indicated that innovation of products had changed with time to a great extent (Mean=4.36), change of production process had changed with time to a great extent (Mean=4.34). The CBHFs have realized technological change and innovation to a great extent (Mean=4.21). The innovation has been associated with increased stock of goods to a great extent (Mean=4.11). The innovative nature of the CBHFs led to production of quality goods and services which increased their value (Mean=4.46), increased flexibility when producing goods and services (Mean=3.97) and increased capacity of producing goods and services to a great extent (Mean=4.39). Moreover, the respondents indicated with a mean of 4.16 that innovation reduced environmental impacts and improved health and safety to a

great extent (Mean=4.47). These findings agree with Schumpeter theory (1939) of innovation of bringing new combination in production and new organizational skills in a business.

4.3.1 Stakeholders Ranking of the Aspects of Innovation on Performance

This section contains information on how the stakeholders ranked the aspects of innovativeness on performance. This ranking was done to establish the most powerful aspects of innovativeness that affects the performance of the CBHFs. The findings are shown in table 4.7.

Table 4.7 Stakeholders ranking of the aspects of innovation on performance

Aspects of innovation on performance	Rank	Mean	Std. Dev
Improved quality of goods or services increase value added	1	6.87	2.53
Increase capacity for producing goods or services	2	6.65	2.57
Improve flexibility for producing goods or services	3	6.59	2.66
Reduce environmental impacts	4	6.54	2.71
There has been increase range of goods	5	5.75	2.30
Improve health and safety	6	5.58	3.09
Technological change/innovation has been realized	7	5.26	2.48
Process innovation has changed with time	8	4.42	2.35
Product production process has changed with time	9	3.64	2.55
Product innovation has changed with time	10	3.54	2.79

Table 4.7 shows the results of how the stakeholders rank the aspects of innovativeness on the performance of the CBHFs. From the findings, improved

quality of goods and services was ranked first, increase in capacity for producing goods and services was ranked second, improvement in flexibility for producing goods and services was ranked third, reduced environmental impacts was ranked fourth and increase in the range of goods was ranked fifth in terms of their influence on the performance of the CBHFs.

It is evident from the findings that increase in capacity for producing goods or services, increase, improved flexibility for producing goods or services and improved quality of goods or services increase value added and influences the performance of the CBHFs in the informal settlement to a larger extent as indicated with mean values of 6.87, 6.65 and 6.59 respectively. Improved health and safety, increase range of goods and technological change and innovation have been realized and moderately influences the performance of the CBHFs in the informal settlement with mean values of 5.75, 5.58, and 5.26 respectively. Process innovation change with time, product production process change with time and product innovation changes with time has shown a low ranking indicating that they have a less influence in the performance of the CBHFs in Kibera informal settlement with mean values of 4.42, 3.64 and 3.54 respectively. However, it is worth noting that all the variables had an extent to which they influence the performance of the CBHFs in the informal settlement and to a larger extent, they influence the performance of the CBHFs in the informal settlement. The study found that innovations ability to improve on the value addition was ranked highest. Thus to develop an effective innovation process, managers need

to focus not only on products, technology and processes, but also on the culture of the organization, its norms, values and beliefs (Gunasekaran *et al.*, 1996).

4.3.2 Job Position and Perception on Innovativeness

The position of a person in an organization gives him or her certain understanding of the activities of the organization. This may affect his perceptions on certain operations and processes about the organization.

Table 4.8 Job position and perception on innovativeness

Study variable	Members Distribution	Sum of Squares	df	Mean Square	F	Sig.
Position in this CBHF	Between Groups	12.699	26	.488	2.815	.000
	Within Groups	27.071	156	.174		
	Total	**39.770**	**182**			

The information contained in table 4.8 shows the ANOVA rest results on the relationship between job position and the perception on innovativeness of the CBHFs. From the findings, the study found that there was no statistical difference ($p<0.001$) in opinions from individuals at different job positions in the CBHFs. This shows that the position of the people did not influence their understanding on innovativeness. This is because innovation is at the heart of entrepreneurship in creating competitive advantage through new products, services and processes (Hornsby *et al.*, 2002).

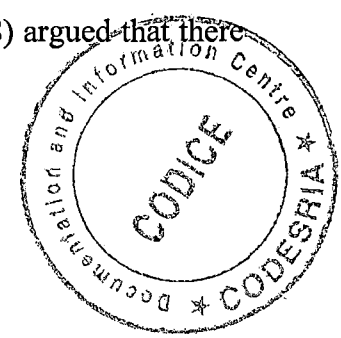
4.3.3 Years worked (Experience) and Understanding of Innovativeness

The years of work in a certain job or position increases the understanding and efficiency of doing activities related to that job. The study sought to understand whether experience influenced their understanding on innovativeness, and the outcomes of the study are as presented in table 4.9.

Table 4.9 Years worked (Experience) and understanding of innovativeness

Study variable	Members Distribution	Sum of Squares	df	Mean Square	F	Sig.
Years worked in the CBHF involved	Between Groups	200.422	26	7.709	4.684	.000
	Within Groups	256.725	156	1.646		
	Total	**457.148**	**182**			

The findings shown in table 4.9 indicate that the number of years did or experience in working in the CBHFs did not influence the staff understanding about innovativeness. This is because the study found no statistical difference between experience and responses on innovativeness ($p<0.001$). This shows that people of difference job experience value innovation with the same intensity. Ahmed (1998) argued that there is need to develop a climate that is conducive to creativity.



4.3.4 The Relationship between Age of the CBHFs and the Perception on Innovativeness

The study sought to understand how the age and the strength of CBHFs affected the way their staff viewed innovativeness. The study sought to know whether staff in old and established CBHFs had different opinions from those in new CBHFs.

Table 4.10 The age of the CBHFS and innovativeness

Study variables	Members Distribution	Sum of Squares	df	Mean Square	F	Sig.
For how long have the CBHF involved in been in operation	Between Groups	9.905	26	.381	1.714	.024
	Within Groups	34.685	156	.222		
	Total	**44.590**	**182**			

The findings contained in table 4.10 indicate that the strength of the CBHFs and age did not influence the understanding on innovativeness. The study results shows that there was no statistical difference between the age of the CBHFs and innovativeness (p=0.024). This shows that the staff from the old and the new CBHFs did not show any difference in their understanding of Innovativeness. These findings imply that regardless of the age of the respondents, their value for innovation is constant.

4.3.5 Effect of Organizational Background on Innovativeness

This section discusses the effect of the organizational background on innovativeness of a CBHF. The findings show how the organizational aspects of a CBHF affect the innovativeness of a CBHF.

Table 4.11 Effect of organizational background on innovativeness

	Unstandardized Coefficients		Standardized Coefficients		
Study variables	B	Std. Error	Beta	t	Sig.
(Constant)	3.719	.351		10.606	.000
Position in this CBHF	.021	.082	.019	.252	.801
Years worked in the CBHF involved	-.012	.024	-.037	-.498	.619
Age of the CBHF	.176	.078	.172	2.257	.025

The table 4.11 shows the effect of organizational background on innovativeness. From the findings shown in the table, position in the CBHF did not influence the innovativeness of a CBHF (p=0.801). The years worked in a CBHF did not influence the innovativeness of a CBHF (P=0.619). However, the study established that the longer a CBHF had been in operation, the more it became innovative (P=0.025). According to the study, a unit increase in number of years in operation increased the innovativeness by 0.176 units.

4.3.6 Testing Hypothesis on Innovativeness and Performance of CBHF

This section sought to test of the hypothesis on perception and opinion on the relationship between innovativeness and the performance of the CBHFs. The study's hypothesis one was stated as shown in table 4.12:

Ho: Innovative practices does not influence performance in CBHF

Ho_1: $\beta = 0$

H_1: $\beta \neq 0$

Table 4.12 Chi-square for the first hypothesis (H_1)

Chi-square attributes	Value	df	Sig. (2-sided)
Pearson chi-Square	868.348[a]	832	.185
Likelihood ratio	430.460	832	1.000
Linear-by-linear association	6.718	1	.010
N of valid cases	183		

Table 4.12 illustrates the P - Value at 0.05 and 95% confidence level. The P - Value in this case is more than 0.05 at 95% confidence level, therefore, in this case, we accept the null hypothesis that innovativeness does not have significant influence on the performance of the CBHFs and reject the alternative that Ho: $\beta \neq 0$.

The Pearson chi-square results for innovativeness and performance showed that innovativeness was $\chi^2 = 868.348$, $p=0.185$. Thus, we reject the alternative and accept the null hypothesis that innovativeness does not significantly influence performance of the CBHFs.

4.4 Proactiveness in the CBHFs

This section presents a discussion on the perception of the respondents of this study about the relationship of the proactiveness and the performance of the CBHFs. Proactiveness as an entrepreneurial factor deems to have influences on the success of an enterprise. This study sought to evaluate the effect of proactiveness of the CBHFs on the performance of the CBHFs. The following table 4.13 gives the findings on the perception of the respondents of this study about the relationship between proactiveness and the performance of the CBHFs.

Table 4.13 Proactiveness and performance factors

Proactiveness attributes	N	Mean	Std. Dev.
Selecting and training for CBHFs members	184	4.05	1.00
Liberating(relaxing the over controlling tendencies i.e., policies and structures	184	3.99	0.96
Inspiring proactive behaviour to CBHFs members	184	4.30	0.86
Adequate attention reducing the risk (PESTEL)	184	4.06	0.96
Strategic perspective for proactive changes	184	4.41	4.07
Technical arrangement made by the scheme management	184	3.96	0.85
Affordability of premium or contributions	184	4.29	0.87
Family as the unit of membership	184	4.16	0.92

Table 4.13 indicates the level of adoption and aspects of proactiveness on the performance of the CBHFs. The data was collected on Likert scale of 1 to 5. According to the scale, 1 represents no extent and 5 represents very great extent. In the continuum, 2 represents lower extent, 3 moderate extent and 4 great extents. The data were analyzed using descriptive statistics of mean and standard deviation.

According to the study, those variables with a mean close to 4.0 represented "great extent" while those with a mean close to 3.0 represents "moderate extent" and those with a mean of 2.0 and below represented low extent and no extent at all. At the same time standard deviation was used to indicate the extent of consensus by the respondents.

According to the findings, the CBHFs select and train members to a great extent (Mean=4.05). The CBHFs have also adopted liberating strategies (Mean=3.99), inspire proactive behaviour among the CBHF members (Mean=4.30). The respondents indicated further that CBHFs paid adequate attention to reduce risks (Mean=4.06), laid strategic perspective for proactive changes (Mean=4.41) and that scheme management made technical arrangements to a great extent (Mean=3.96). The CBHFs made premiums and other contributions affordable (Mean=4.29).

From the findings, it is evident that proactiveness attributes indicated a high level of influence to the performance of the CBHFs by representing a high level adoption of the proactiveness behaviour in the schemes. Strategic perspective for proactive changes, policies and structures, inspiring proactive behaviour to CBHFs members,

adequate attention reducing the risk political, economical, social technological environmental and legal (PESTEL), affordability of premium or contributions and family as the unit of membership indicated a high level of proactiveness behaviour adoption above the a mean of 4.0 while liberating (relaxing the over controlling tendencies, and indicated a slightly lower proactiveness behaviour adoption representing a mean below 4.0 but above 3.5 mean in a 5 Likert scale adoption level. This implies that the means are within and notably above 3.5 range of the 5 Likert scale. This implies that attributes on proactiveness behaviour among the CBHFs, highly contributes toward the performance of the CBHFs in the informal settlements. Thus, the aspect of proactiveness is very crucial for an organization such as CBHFs especially when competing and trying to get competitive advantage over her rivals Barringer & Bluedorn (1999).

4.4.1 Ranking of the Aspects of the Proactiveness on the Performance of the CBHFs.

This section discusses how the respondents ranked the aspects of proactiveness on the performance of the CBHFs. The ranking was done to establish the most highly ranked aspects of proactiveness which affect the respondents were requested to rank the aspects of the proactiveness on the performance of the CBHFs. The ranking was done to establish the most highly ranked aspects of proactiveness that affect the performance of the CBHFs the respondents were requested to rank the aspects of the proactiveness on the performance from five schemes sampled from this study. The ranking was done to identify the powerful attributes or the most aspects or factors

with respect to the others given. The factors that were ranked at the top were considered to be the most influential than those at the bottom. The respondents were requested to rank the qualities of proactiveness on the performance of CBHFs. The findings are shown in table 4.14.

Table 4.14 Ranked aspects of proactiveness on performance of the CBHFs

Proactiveness attributes	Rank	Mean	Std. Dev
Technical arrangement made by the scheme management	1	5.15	2.07
Strategic perspective for proactive changes	2	4.98	2.01
Adequate attention reducing the risk(PESTEL)	3	4.62	2.07
Affordability of premium or contributions	4	4.51	2.23
Family as the unit of membership	5	4.49	2.61
Liberating (relaxing the over controlling tendencies i.e., policies and structures	6	4.33	2.31
Selecting and training for CBHFs members	7	4.09	2.52
Inspiring proactive behaviour to CBHFs members	8	3.73	2.10

Table 4.14 shows the results on how the aspects of the proactiveness were ranked by the respondents. From the findings, technical arrangement made by the scheme management was ranked first, strategic perspective for proactive changes was ranked second, adequate attention reducing the risk (PESTEL) was ranked third, and affordability of premium or contributions was ranked fourth.

4.4.2 Job Position and Proactiveness

The position is in a certain job may give him or her deeper understanding of the performance of the organization than others and subsequently different perception about different phenomena. This sought to understand whether respondents had different views depending on their job positions.

Table 4.15 Job position and proactiveness

Study variable	Members Distribution	Sum of Squares	df	Mean Square	F	Sig.
Position in this CBHF	Between Groups	9.219	21	.439	2.327	.002
	Within Groups	30.558	162	.189		
	Total	**39.777**	**183**			

Table 4.15 shows that the job position of a person did not influence their understanding on proactiveness. This was confirmed by the fact that the study showed no statistical significance between the perception of the staff at different job levels in the CBHFs (p=0.002). This shows that regardless of the position of a person, the understanding of the importance of proactiveness was the same.

4.4.3 Experience and Proactiveness

The study sought to understand whether the experience of a person influenced his understanding on the effect of proactiveness on the performance of the CBHFs.

Table 4.16 Experience and proactiveness

Study variable	Members Distribution	Sum of Squares	df	Mean Square	F	Sig.
Years worked in the CBHF involved	Between Groups	76.339	21	3.635	1.546	.069
	Within Groups	381.003	162	2.352		
	Total	**457.342**	**183**			

The information contained in table 4.16 shows that there was statistical difference in the understanding of the respondents with different experiences (p = 0.069). The study means that those respondents which had more experience than others gave different views and opinions from those which had little experience on the activities of the CBHFs.

4.4.4 The Age of CBHFs and Proactiveness

The number of years an organization operates gives the members an advantage over the new ones. The study performed an ANOVA test to establish the relationship between the age of CBHFs and the understanding of proactiveness.

Table 4.17 The age of CBHFs and proactiveness

Study variable	Members Distribution	Sum of Squares	df	Mean Square	F	Sig.
Age of the CBHF	Between Groups	11.589	21	.552	2.708	.000
	Within Groups	33.014	162	.204		
	Total	**44.603**	**183**			

The information contained in table 4.17 shows that there was no statistical significance from the respondents from old and new CBHFs ($p<0.001$). This means that the age of the CBHFs did not influence the perceptions on proactiveness.

4.4.5 Effect of Organizational Aspects on Proactiveness of a CBHF

This section discusses how the organizational factors of an affect the proactiveness of a CBHF. The study did a regression to determine the effect of the organizational aspects on the proactiveness of the CBHF. The findings are shown in table 4.18.

Table 4.18 Effect of organizational aspects on proactiveness of a CBHF

	Unstandardized Coefficients		Standardized Coefficients		
Study variables	**B**	**Std. Error**	**Beta**	**t**	**Sig.**
Constant	2.924	.533		5.490	.000
Position in this CBHF	.150	.125	.091	1.199	.232
Years worked in the CBHF involved	.005	.036	.010	.139	.890
Age of CBHF	.218	.118	.140	1.839	.068

The study conducted a test to establish the effect of the organizational background on the proactiveness of the CBHF. From the findings, it is evident that the position of people in the CBHF does not influence the proactiveness of the CBHF (P=0.232). The experience of a person in the CBHF did not also affect the proactiveness of the CBHF (P=0.890). The number of years a particular CBHF had been in operation also did not influence the proactiveness of a CBHF (P=0.068).

4.4.6 Testing Hypothesis on Proactiveness and Performance of the CBHFs

This section sought to test of the hypothesis on perception and opinion on the relationship between proactiveness and the performance of the CBHFs. The study's second hypothesis was stated as shown:

Ho_2: CBHFs proactive enhance performance of CBHFs

Ho: CBHFs proactive does not enhance its performance CBHFs

Ho_2: $\beta = 0$

H_1: $\beta \neq 0$

Table 4.19 Chi-square for the second hypothesis (H_2)

Chi-square Analysis for H_2	**Value**	**df**	**Asymp. Sig. (2- sided)**
Pearson Chi-Square	781.463[a]	672	.002
Likelihood Ratio	402.366	672	1.000
Linear-by-Linear Association	9.774	1	.002
Number	184		

Table 4.19 illustrates that the P - Value at 0.05 and 95% confidence level. The chi-square results for the relationship between proactiveness and performance of the CBHFs. The Pearson chi-square results for the relationship between proactiveness and performance is $\chi^2 = 781.463$, $p=0.002$. Table 4.19 depicts that the P - Value is less than 0.05 at 95% confidence level, therefore, in this case we accept the alternative and reject the null hypothesis that Ho: $\beta = 0$, this implies that proactiveness have significant influence in the performance of the CBHFs.

4.5 Risk-taking in the Operations of CBHFs

This section presents an analysis of the relationship between risk-taking and the performance of the CBHFs. Risk-taking is an entrepreneurial aspect, which proves or promises success to individuals who undertake risky ventures. Entrepreneurs take risks in their operations when making new ventures. This study sought to evaluate the effect of risk-taking in the operations of CBHFs and also evaluate its effect in the performance of the CBHFs. The following table 4.20 outlines the findings on the perception of the respondents of this study on the relationship between risk-taking and the performance of the CBHFs.

Table 4.20 Risk-taking

Risk-taking attributes	Mean	Std. Dev.
The scheme experience excessive perceived economic risk	3.04	1.09
Social and family risk influences the CBHF performance	3.78	6.15
Financial risk/funds mobilized influences CBHF performance	3.37	1.10
Pooling of resources influences CBHF performance	3.83	0.97
Business related risk influences CBHF performance	3.59	1.05
New venture initiatives risk influences CBHF performance	3.53	1.06
Value and belief risk for members influences CBHF performance	3.31	0.93
Management risk influences CBHF performance	3.64	1.10

Table 4.20 indicates the level of adoption and the aspects of risk-taking on the performance of the CBHFs. The data was collected on Likert scale of 1to 5. According to the scale, 1represents no extent and 5 represents very great extent. In the continuum 2 represents lower extent, 3 for moderate extent and 4 great extents. The data was analyzed using descriptive statistics of mean and standard deviation.

According to the study, those variables with a mean close to 4.0 represented "great extent" while those with a mean close 3.0 represents "moderate extent" and those with a mean of 2.0 and below represented low extent and no extent at all. At the same time, standard deviation was used to indicate the extent of consensus of the respondents.

From the results, the respondents indicated with a mean of 3.78 that social and family risk influenced the performance of CBHFs. Other risks undertaken by the CBHFs involved risks of pooling resources (Mean=3.83), business related risk (Mean=3.59), new venture associated risks (Mean=3.53) and management risks (Mean=3.64) all which were established to affect performance of CBHF to a great extent as per their mean values.

From the findings, it is evident that risk taking behaviour indicated a high level of influence to the performance of the CBHFs by representing a high adoption level of risk taking that influences to the performance of the CBHFs. Social and family risk influences the CBHF performance, Management risk influences CBHF performance, business related risk influences CBHF performance, New venture initiatives risk

influences CBHF performance and Financial risk/funds mobilized influences CBHF performance indicated a high level of risk adoption of over 3.5. This implies that risk-taking influences the performance of the CBHFs. The scheme experience excessive perceived economic risk, Value and belief risk for members' influences CBHF performance, financial risk/funds mobilized influences CBHF performance and the scheme experience excessive perceived economic risk indicate a moderate mean of less than mean of 3.5, This implying that they moderately influence the performance of the CBHFs in the informal settlement.

4.5.1 Ranking of the Aspects of Risk taking on the Performance of CBHFs

This section discusses how the respondents ranked the aspects of risk-taking on the performance of the CBHFs. The ranking was done to establish the most highly ranked aspects of risk taking that affect the performance of the CBHFs the respondents were requested to rank the aspects of the risk- taking on the performance from five scheme sampled from this study. The ranking was done to identify the powerful attributes or the most aspects or factors with respect to the others. The factors which were ranked at the top were considered to the most influential than those at the bottom. The respondents were requested to rank the qualities of risk-taking on the performance of CBHFs. The results are shown in table 4.21.

Table 4.21 Ranking of the aspects of risk -taking on the performance of CBHFs

Aspects of risk taking affecting performance	Rank	Mean	Std. Dev
The scheme experience excessive perceived economic risk	1	5.05	2.53
Value and belief risk for members influences CBHF performance	2	4.72	2.17
Business related risk influences CBHF performance	3	4.68	2.00
New venture initiatives risk influences CBHF performance	4	4.63	2.105
Social and family risk influences the CBHF performance	5	4.58	2.38
Management risk influences CBHF performance	6	4.48	2.46
Financial risk/funds mobilized influences CBHF performance	7	4.29	2.17
Pooling of resources influences CBHF performance	8	3.59	2.20

Table 4.21 shows the risk- taking aspects, which influence the performance of the CBHFs. According to the findings, the most ranked aspect was the scheme's experience on the excessive perceived economic risk, value and belief risk for members' influences CBHF performance was ranked second, business related risk influences CBHF performance was ranked third and new venture initiative risk influence CBHF performance. All the aspects of risk-taking indicted a high-level significance in their ranking with a mining ranked aspect of risk taking with a minimum mean of 3.59. This implies that all the aspect risk taking had a greater extent in influencing the performance of the CBHFs by reflecting a minimum mean of 3.5 in Likert scale of 1 to 5. This also implies that despite the ranking of the entire

aspect risk taking, they all displayed a high level of influence in the performance of the CBHFs.

4.5.2 Job position and Understanding on Risk taking

The study sought to establish whether job position of an individual affected his or her perception about risk taking. The results are shown in table 4.22.

Table 4.22 Job position and understanding on Risk taking

Study variable	Members Distribution	Sum of Squares	df	Mean Square	F	Sig.
Position in this CBHF	Between Groups	8.464	30	.282	1.370	.113
	Within Groups	31.307	152	.206		
	Total	**39.770**	**182**			

The findings contained in table 4.22 shows the relationship between job position and understanding of risk taking. From the results, there was statistical difference among respondents from different job positions (p=0.113). This indicates that respondents from different job positions viewed taking risks differently.

4.5.3 Experience and Perception on Risk-taking

The study did ANOVA test to establish the differences among the respondents with different experiences as shown in table 4.23.

Table 4.23 Experience and perception on risk taking

Study variable	Members Distribution	Sum of Squares	df	Mean Square	F	Sig.
Years worked in the CBHF involved	Between Groups	96.223	30	3.207	1.351	.123
	Within Groups	360.924	152	2.375		
	Total	**457.148**	**182**			

The study findings shows that there was significant differences among the respondents with different work experiences (p=0.123). This indicates that perception on taking of risky ventures was highly influenced by the experiences of the personnel.

4.5.4 The Age of the CBHFs and Risk Taking

The study sought to establish whether the number of years CBHFs had been in operation could influence the perceptions of the members on taking of risks as shown in table 4.24.

Table 4.24 The age of the CBHFs and risk taking

Study variable	Members Distribution	Sum of Squares	df	Mean Square	F	Sig.
Years of CBHFs operation	Between Groups	13.974	30	.466	2.313	.000
	Within Groups	30.616	152	.201		
	Total	**44.590**	**182**			

The findings showed no statistical difference between the staff from the old and the new CBHFs. This indicates that the age of the CBHFs did not have any significant effect on the perception of the staff on risk taking. Thus, the age of the CBHF had no influence on the perception of risk taking.

4.5.5 Organizational Effect on Risk -taking

The aspects of an organization provide an environment for the operation of the organizational processes. This study conducted a regression analysis to establish how the organizational aspects influenced risk -taking nature of the CBHF. The results are shown in Table 4.25.

The study did a regression test to determine whether the organizational aspects affected risk-taking nature of the CBHFs. From the findings, the position of a person in a CBHF influences the risks taken by the CBHF (P=0.001).

Table 4.25 Organizational effect on risk- taking

Study variables	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	2.941	.406		7.250	.000
Position in this CBHF	.329	.095	.256	3.459	.001
Years worked in the CBHF involved	-.025	.027	-.067	-.926	.356
Age of the CBHF	.043	.090	.035	.471	.638

According to the findings, a higher rank in a CBHF increases the risks taken by a CBHF by one unit. However, the experience of a person and the number of years a CBHF had been in operation had p-values 0.356 and 0.638 respectively indicating that they had no influence on the risk -taking nature of the CBHF.

4.5.6 Testing Hypothesis on Risk- taking and Performance of CBHFs

This section sought to test of the hypothesis on perception and opinion on the relationship between risk-taking and the performance of the CBHFs. The study's second hypothesis was stated as shown:

Ho_3: Risk taking influences performance of CBHFs

Ho: Risk taking does not influence performance of CBHFs schemes

Ho_3: $\beta = 0$

H_1: $\beta \neq 0$

Table 4.26 Chi-square for the third hypothesis

Chi-square	Value	df	Sig. (2-sided)
Pearson Chi-Square	1161.988[a]	960	.000
Likelihood Ratio	456.526	960	1.000
Linear-by-Linear Association	19.292	1	.000
N of Valid Cases	183		

Table 4.26 illustrates that the P - Value at 0.05 and 95% confidence level for the chi square test between risk-taking and performance of the CBHFs. The chi-square results between risk taking and performance is $\chi^2 = 1161.988$, $p<0.001$. Since the p – value in this case is less than 0.05 at 95% confidence level. Therefore, in this case we accept the alternative hypothesis and reject the null hypothesis that Ho: $\beta = 0$. Thus, the study accepts the alternative hypothesis that risk taking influences the performance of the CBHFs and rejects the null hypothesis that risk- taking does not influence performance of CBHFs schemes. This shows that the CBHF performance is influenced by taking of risks by the CBHF schemes. This could be because of the fact that risky adventures may be very productive. For example, getting a huge loan for expansion of the CBHFs could be very risky but it will pay much to the community.

4.6 Size and the Performance of the CBHFs

This section discusses how size influences the performance of the CBHFs. The size of a CBHF may influence the activities of the CBHFs in different ways. A large

organization is a demonstration of strength of the group. The study findings on the size of CBHFs are shown in table 4.27.

Table 4.27 CBHFS Size parameters

Size parameters	Mean	Std. Dev
The number of scheme members influenced where you obtained loan from	3.5	0.8
Gross profit influence where you got the loan finance	4.3	0.7
The size of business determined where you got your finance	4.2	0.8
The size of your scheme determined where you got your finance	4.3	0.7

Table 4.27 shows the relationship of the size parameters on the performance of the CBHFs. The data was collected on Likert scale of 1 to 5. According to the scale, 1 represents strongly disagree and 5 represents strongly agree. In the continuum, 2 represents disagree, 3 for neutral and 4 agree. The data were analyzed using descriptive statistics of mean and standard deviation.

According to the study, those variables with a mean close to 4.0 represented "agree" while those with a mean close 3.0 represents "neutral" and those with a mean of 2.0 and below represented disagree and strongly disagree respectively. At the same time, standard deviation was used to indicate the extent of consensus of the respondents. From the findings, the respondents agreed (Mean 3.5) that the locals obtained their loans from different sources depending by the number of the schemes. Also, the size

of the business (Mean 4.2) and size of the scheme influenced the locals when choosing loans. Notably, the amount of profit influenced the sources from which the locals got loans from.

4.6.1 Testing Hypothesis on Size and the Performance of the CBHFs

The study postulated the hypothesis about the size and the performance of the CBHFs as stated:

Ho_4: Firm size influences performance of CBHFs

H_1: Firm size does not influences performance of CBHFs

Ho_4: $\beta = 0$

H_1: $\beta \neq 0$

Table 4.28 Testing hypothesis on size and the performance of the CBHFs

Statistical test	Value	df	Sig. (2-sided)
Pearson chi-Square	444.776[a]	448	.534
Likelihood ratio	335.608	448	1.000
Linear-by-linear association	.024	1	.877
N of valid cases	184		

Table 4.28 shows the results of hypothesis testing at 95% level of confidence. From the findings, the chi-square value is $\chi^{2=}444.776$ and the p=0.534. This study thus

accepts the null hypothesis that size of the CBHF does not influence the performance of the CBHFs and rejects the alternative hypothesis that size of CBHFs influences the performance of the CBHFs. This shows that a CBHF or a firm can perform well regardless of its size. Thus the magnitude of a firm matters insignificantly in performance.

4.7 Location and the Performance of the CBHFs

Location of an organization may negatively or positively affect the performance of an organization. This could due to several factors such as accessibility, difference in market, brand name among other things. The findings on the relationship between location and performance of the CBHFs are given in Table 4.29.

Table 4.29 Location of Scheme

Location parameters	Mean	Std. Dev
The location of scheme to the members influenced where you obtained loan from	3.5	0.0
Location of your scheme influenced where you get the loan finance	3.0	0.0
The location of your business determined where you got your finance	3.2	0.0
The location CBHFs office influenced the membership of your scheme.	4.3	0.0

Table 4.29 shows the relationship of the size parameters on the performance of the CBHFs. The data was collected on Likert scale of 1 to 5. According to the scale, 1

represents strongly disagree and 5 represents strongly agree. In the continuum, 2 represents disagree, 3 for neutral and 4 agree. The data was analyzed using descriptive statistics of mean and standard deviation.

According to the study, those variables with a mean close to 4.0 represented "agree" while those with a mean close to 3.0 represents "neutral" and those with a mean of 2.0 and below represented disagree and strongly disagree respectively. At the same time, standard deviation was used to indicate the consensus of the respondents.

According to the findings, the respondents agreed that the location of the scheme influenced the sources of getting loans (Mean=3.5). Notably also is that the geographical location of the CBHFs offices influenced the membership of the scheme (Mean=4.3). The respondents were moderately by the location of the schemes (Mean=3.0) and the location of the business where one gets finances from (Mean=3.2).

4.7.1 Testing the Hypothesis on Location and Performance of the CBHFs

The study tested the hypothesis on the relationship between the performance of the CBHFs and the location using a chi-square. The hypothesis of the study was postulated as follows:

Ho_5: Location of schemes influences performance of CBHFs

Ho: Location of schemes does not influences performance of CBHFs

Ho_5: $\beta = 0$

H_1: $\beta \neq 0$

Table 4.30 Testing the hypothesis on location and performance of the CBHFs

Statistical test	Value	df	Sig. (2-sided)
Pearson chi-square	590.432[a]	608	.008
Likelihood ratio	368.332	608	1.000
Linear-by-linear association	15.055	1	.000
N of valid cases	179		

Table 4.30 shows the results of hypothesis testing at 95% level of confidence. From the findings, the chi-square value is χ^2=590.432 and the p=0.008. Thus, the study fails to accept the null hypothesis that location does not influence the performance of the CBHFs and adopts the alternative hypothesis that location influences the performance of the CBHFs. These results indicate that location is a prime factor, which should be taken into consideration as it influences the performance of organizations.

4.8 Performance Measurement

In this section, the researchers outline the extent to which the various dimensions of entrepreneurial practices influence the performance CBHFs in Kibera. The dimension includes the entrepreneurial factors influencing performance of CBHFs in Kibera. Performance is the ultimate goal of most of the organizations. This section, therefore illustrates how the collected data on the performance of the CBHFs were analysed and the results of the findings are shown in table 4.31.

Table 4.31 shows the findings on the performance of the CBHFs. The data was collected on Likert scale of 1 to 5. According to the scale, 1represents no extent and 5

represents very great extent. In the continuum 2 represents lower extent, 3 for moderate extent and 4 great extents. The data were analyzed using descriptive statistics of mean and standard deviation.

According to the study, those variables with a mean close to 4.0 represented "great extent" while those with a mean close to 3.0 represents "moderate extent" and those with a mean of 2.0 and below represented low extent and no extent at all. At the same time, standard deviation was used to indicate the consensus of the respondents.

The performance of the CBHFs was assessed in threefold. These include organizational commitment, entrepreneurial commitment and entrepreneurial knowledge. From the findings, the respondents indicated that the CBHFs were committed on organizational matters. The CBHFs provided employees with fringe benefits (Mean=4.5). Also, the CBHFs regularly sought and fed the employees with feedbacks on organization issues (Mean=4.36). The CBHFs further provided counselling to employees and members of CBHFs (Mean=4.51), clean, healthy and safe environment (Mean=4.40) and held regular meetings to review progress, discuss issues and develop solutions to a great extent (Mean=4.50).

Table 4.31 Performance

Entrepreneurial factors	N	Mean	Std. Dev.
Organization commitment			
Providing employees with fringe benefits	184	4.50	3.83
Providing regular feedback to employees and seeking feedback from them	184	4.36	0.76
Provision of counselling to employees and members of CBHF	184	4.51	0.69
Providing a clean, healthy and safe environment	184	4.40	0.73
Holding regular meetings to review progress, discuss issues and agree on possible solutions	184	4.50	0.82
entrepreneurial commitment			
Regular visits to employees and members	184	4.21	0.89
Conducting training for employees with a view to enhancing their performance	184	4.41	0.76
Maintaining an open door policy by managers of the CBHF	183	4.01	0.84
Promoting employees who demonstrate good performance	182	3.96	0.87
Entrepreneurial knowledge			
CBHF's members are aware of affordability of premium or contributions by the schemes	184	4.53	0.68
CBHF's members and staff have adopted an appropriate channels of communication	184	4.45	0.72
CBHF's members and employees are aware of market of their products	184	4.33	0.82
CBHF schemes help members identify markets for their products	184	4.10	1.19
CBHF's schemes help members market their products	184	3.78	1.20

According to the findings, the CBHFs had entrepreneurial commitment attributes. First, managers of CBHF made regular visits to employees (Mean=4.21). Second, they conducted training for employees with a view to enhancing their performance to a great extent (Mean=4.41). Further, the CBHFs maintained open door policies (Mean=4.01) and promoted employees who demonstrated good performance (Mean=3.96).

The CBHFs demonstrated deep entrepreneurial knowledge. The members were aware of the premiums and contributions of the schemes (Mean=4.53). The CBHF staff and members adopted appropriate channels of communication (Mean=4.45) to a great extent. The CBHFs helped members to identify markets for their products (Mean=4.10) and market them (Mean=3.78). This made members and employees to be aware of their markets of their products to great extent (Mean=4.33).

4.8.1 Job Position and Perception about Performance

The job position of a person may influence his perception on the performance of a firm. Generally, the top management always wants to achieve high performance. A manager tends to exaggerate the performance than an ordinary employee.

Table 4. 32 Job position and perception about performance

Demographic features	Members Distribution	Sum of Squares	df	Mean Square	F	Sig.
Position in this CBHF	Between Groups	14.890	32	.465	2.823	.000
	Within Groups	24.888	151	.165		
	Total	**39.777**	**183**			

The information found in table 4.32 shows the perception on the performance of the CBHFs by staff, employees and managers of the CBHFs. From the findings, the p=value is $p<0.001$. This means that the perception on the performance on the CBHFs varied across different job positions.

4.8.2 Experience and Performance of CBHFs

The duration an individual works in a certain job or trade enhances his efficiency and ability to work and become more productive. The views of an experienced person may be different from those of the inexperienced persons regarding a given phenomenon. The perception of the staff based on experienced was studied. The results are shown in table 4.33.

Table 4.33 Experience and performance of CBHFs

Years worked in the CBHF involved	Between Groups	50.394	32	1.575	.584	.962
	Within Groups	406.948	151	2.695		
	Total	**457.342**	**183**			

According to table 4.33, the p=value of an ANOVA analysis was p= 0.962. This means that the differences in perceptions on performance based on the experience was not statistically different for people with experiences.

4.8.3 Age of CBHF and Perception on Performance

The duration of an institution or the number of years an institution has been in existence shows the strength and experience if the staff members. In addition, older institutions seem to be more efficient than the up-coming ones because of low costs of running.

Table 4.34 Age of CBHF and perception on performance

Age of a CBHF	Between Groups	9.314	32	.291	1.245	.191
	Within Groups	35.290	151	.234		
	Total	**44.603**	**183**			

From the findings shown in table 4.34, the p=value was 0.191. This means that the staff and employees from the older and well-established CBHFs and those from the newer and infant CBHFs had no significant difference in their perception on the performance of the CBHFs. Thus, the Age of the CBHFs did not affect the perception on performance based on the age of the CBHFs.

4.9 Effect of Entrepreneurial factors on the Performance of the CBHFs

This section discusses the relationship and effect of the risk-taking; proactiveness and innovativeness on the performance of the CBHFs. This section outlines inferential

statistics, the tests of normality on the relationship of the variables and the effect on the performance of the CBHF schemes.

4.9.1 Tests of Normality

This section tests the relationship and the effects of the variables on the performance. The study conducted a test to determine the normality of the data. The results are shown in table 4.35.

Table 4.35 Tests of Normality

Entrepreneurial Factors	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Innovativeness	.153	182	.000	.901	182	.000
Proactiveness	.149	182	.000	.696	182	.000
Risk- taking	.192	182	.000	.616	182	.000
Performance	.154	182	.000	.817	182	.000

The normality of the study data was tested using Shapiro-Wilk. This is because the sample size was less than 2000. From the findings, the p - values were as follows: innovativeness $p<0.001$, proactiveness $p<0.001$, risk-taking $p<0.001$ and performance $p<0.001$. This indicated that the data for all the variables were not normal and thus the data were not suitable for further analytical mathematics. To make this data suitable for further statistical calculations, the data needed to be transformed. This

study thus transformed the data to make them linear. This was done through logarithmic transformation where the data were transformed into logarithmic mode to permit for further statistical calculations and manipulation.

4.9.2 Data Transformation and Analysis

Data is transformed to make it assume the features of parametric methods such as homoscedasticity, Normality, additivity and linearity (Xuhua, 2011) for some statistical arithmetic to be done. This study transformed the data using logarithmic transformation. After the data was transformed, it was subjected to correlations analysis and multiple regressions as discussed in the following sections.

4.9.3 Correlations between Log Innovativeness, Log Proactiveness, Log Risk - taking and Log performance

The relationship of the study variables was investigated using Pearson correlations. The results are shown in table 4.36. After a thorough analysis of the relationship among the entrepreneurial factors, the study established that the factors associated with each other at different strengths of correlation.

Table 4.36 Correlation matrix

Statistical test	Statistical Test	Innovativeness	Proactiveness	Risk-taking	Performance
Innovativeness	Pearson	1	.247	.041	.195
	Sig.		.001	.589	.010
Proactiveness	Pearson	.247	1	.095	.315
	Sig.	.001		.202	.000
Risk taking	Pearson	.041	.095	1	.564
	Sig.	.589	.202		.000
Performance	Pearson	.195	.315	.564	1
	Sig.	.010	.000	.000	

The study performed a correlation an analysis to determine the relationship of the variables. This was done through use of Pearson correlation. The results are given in a scale ranging from -1 to 1. A value of -1 implies a perfect negative relationship while a value of 1 indicates a perfect positive relationship. A negative value close to -1 indicates strong negative relationship while a positive value close to 1 indicates a strong positive relationship. A negative value close to 0.0 indicates weak negative relationship while a positive value close to 0.0 indicates a weak positive relationship. A value of 0.0 indicates correlations between the variables.

From the study, risk taking and performance were strongly positively correlated (r=0.56). Proactiveness and performance were weakly positively correlated (r=0.315). Lastly innovativeness and performance were weakly positively correlated (r=0.195). This means that when any of the factors increased the performance of the CBHFs also

increased. A study by Lumpkin & Dess (2001) also showed that proactiveness centres on organizational pursuits of favourable business opportunities.

The correlation of innovativeness with other variables found a weak positive correlation between proactiveness and innovativeness (r=0.247) and no correlation with risk-taking since the p=value was 0.589. Hornsby, *et al.*, (2002) concluded that innovation sustainable competitive advantage is gained through innovation in the form of new products, services, and processes, or in a combination of both.

Correlation analysis for proactiveness found that innovativeness and proactiveness were weakly positively correlated (r=0.247). Proactiveness and risk-taking showed no correlation as the p=value was 0.202. Risk-taking was found to have no correlation with innovativeness (p=0.589) since p-value was greater than 0.05. Similarly, risk-taking and proactiveness were not correlated (p=0.202). According to Kanter (2006) Conservative and risk-averse attitudes of firms causes a decrease in market share and even a loss of competitive position.

4.9.4 Effects of the Innovativeness, Proactiveness and Risk- taking on Performance

To determine the effects of the independent variables on the dependent variable, the study conducted a regression analysis. The model summary of the regression model results is shown in table 4.37.

Table 4.37 Model Summary of the transformed data

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.573[a]	.329	.309	.05182

Table 4.36 shows the summary model results, from the findings the value of the R square (R^2) is 0.329. This means that the predictors explain 32.9% of the variation in the explained variable. Though the independent variables explain very little variation in the dependent variable, the motive of the study was to determine the effect and not variation. ANOVA test was done to determine the significance of the variables on the dependent variable. The results are shown in table 4.38.

Table 4.38 ANOVA of the log of the independent and dependent variables

Statistical test	Sum of Squares	df	Mean Square	F	Sig.
Regression	.225	5	.045	16.735	.000[a]
Residual	.459	171	.003		
Total	.684	176			

Table 4.38 shows the ANOVA of the logs of the variables regression model. ANOVA shows the statistical significance of the independent variables on the dependent variables. From the table, the variables were statistically significant in predicting the dependent variable ($F=16.735$, $p<0.001$). This indicates that innovativeness, proactiveness and risk- taking were significant in predicting the performance of the

CBHFs. Their combined effect was vital in determining the performance of the CBHFs.

Table 4.39 Regression Coefficients

Independent variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.414	.079		5.226	.000		
Log innovativeness	.099	.072	.090	1.376	.170	.917	1.091
Log proactiveness	.217	.063	.226	3.440	.001	.913	1.096
Log Risk taking	.202	.032	.400	6.212	.000	.954	1.048
Log Size	.028	.086	.021	.325	.745	.945	1.058
Log location	-.182	.066	-.184	-2.775	.006	.902	1.108

Table 4.39 shows the coefficients of regression in the model. The study run a collinearly test to establish any multi-collinearity effect among the variables. From the findings, the tolerance values of log innovativeness (0.917), log proactiveness (0.913), log risk taking (0.954), log size (0.945) and log location (0.902) were all above 0.5 indicating that the problem of multi-collinearity was not present among the variables. This was supported by the values of variance inflation factors (VIFs) which were all less than 5 and close to 1.000 indicating that most of the variables were not significantly correlated.

Further, the regression results indicate that log innovativeness (t-value 1.376, p=0.17) and log size (t-value 0.325, p=0.745) were not statistically significant in predicting log performance of CBHFs. However, log proactiveness (t-value 3.440, p=0.001), log risk- taking (t-value 6.2212, p<0.001) and log location (t-value -2.775, p=0.006) were all statistically significant in predicting the performance of the CBHFs.

The regression model of the study was given as follows:

Log $Y=\beta_0 + \beta_1$ log Innovativeness + β_2 log Proactiveness + β_3 log Risk- taking + β_4 log location + β_5 log size + ε standard error (statistical term)

Where: Log Y = log CBHF performance

B_0 = Constant term

β_1 = coefficient of log Innovativeness

β_2 = Coefficient of log proactiveness

β_3 = Coefficient of log Risk -taking

β_4 = Coefficient of log location

β_5 = coefficient of log size

ε = standard error (statistical term)

From the findings, the resulting model is given by:

Log Y=0.414 + 0.099 log Innovativeness +0.217 log Proactiveness+0.202 log Risk - taking + 0.028 log size -0.182 log location.

The above results indicate that holding other things constant, the performance of the CBHFs would increase by 0.311 units. Although innovativeness was not statistically significant a unit increase in innovativeness holding the rest of the factors constant would improve the performance by 0.123 units. A unit increase in proactiveness holding others factors constant would improve the performance of CBHFs by 0.203 units. The performance of the CBHFs would increase by 0.218 if a risk was taken holding other factors constant. The performance of the CBHFs would decrease by 0.182 units when the location of the CBBFs increased by one kilometre holding other things constant.

4.10 Discussion

The study sought to determine how the entrepreneurial factors influenced the performance of the CBHFs. The study established some innovative similar characteristics in products innovation, use of technology, use of unique products and services. All these innovation in the form of new products, services, and processes, or in a combination of these are keys to gaining sustainable competitive advantage (Hornsby, Kuratko and Zahra 2002, Tidd *et al.*, 2001)., however it was noted that the schemes did not indicate significant level of innovation as it was noted in the proactiveness and risk taking variables.

The proactive aspect of entrepreneurship was also determined in the study. The study findings indicate that CBHFs are highly proactive. According to the findings, CBHFs select and train members aggressively, have adopted liberating strategies, inspire

proactive behaviour among the CBHF members, reduce risks, and lay strategies for proactive changes among other things. Further analysis indicated that proactiveness influenced the performance of the CBHFs. Lumpkin and Dess, (2001)., described proactiveness as a factor which centres on organizational pursuits of favourable business opportunities.

The risk-taking aspect of entrepreneurship was also determined in the study. From the study findings, the CBHFs faced and undertook risks when pooling resources, met business risks, undertook new venture risks and managerial risks. These findings agree with Kanter (2006) views that successful firms either identify new markets or introduce new services/products to the existing markets or the combinations of two by taking risks to fulfil the market opportunities. In addition, the regression indicated that risks influenced the performance of the CBHFs.

The size of the CBHFs was not very significant in influencing the performance of the CBHFs. This was against the findings of the Penrose (1959) who argued that diverse capabilities, the abilities to exploit economies of scale and scope and the formalization of procedures in large groups, allowed the groups to generate superior performance relative to smaller firms, (Penrose, 1959).

The study established that the location of the CBHFs influenced the performance of the CBHFs at Kibera slums. The study found that location of the schemes influenced how the locals got their loans, membership and the ease at which the locals got their

loans. These findings agree with Kala *et al.* (2010) that strategic location of the domestic firms helps them in achieving a positive performance.

On the entrepreneurial commitment, the study found that managers made regular visits, conducted training for employees to enhance their performance, maintained open door policies and promoted employees who demonstrated good performance. Lastly, the study established that a deep entrepreneurial knowledge was strongly embedded in the CBHFs organizational culture. Halim, et al., (2011) found similar outcomes when they realized a positive and significant relationship between entrepreneurial characteristics and commitment shown by similar undertakings.

The performance of the CBHFs was studied in three-dimensional ways such as organizational and entrepreneurial knowledge. The study found that CBHFs were very committed, provided fringe benefits, regularly communicated with employees, sought their opinions, provided counselling to employees, maintained clean healthy and safe environments, held regular meetings and developed new solutions. This is in tandem with the findings by Scuotto and Morellato, (2013), who opines that performance of entrepreneurial ventures ought to be considered in more than the financial side and that entrepreneurial knowledge, is a key factor in promoting entrepreneurship and a major determinant of entrepreneurial attitude and characteristic.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The study was motivated by the need to establish the entrepreneurial factors affecting community based health organization schemes in Nairobi City County. The study collected data from some selected CBHFs in Nairobi City County with a view to establishing the adoption of innovativeness, proactiveness and risk-taking practices and their effects on the performance of the CBHFs. This chapter presents the demographic data of the respondents, discussion of the findings, conclusions and the recommendations of the study. Lastly, there is a section of suggested future studies.

5.2 Summary

The following section discusses the findings of the data collected. The study purposed to determine the effect of entrepreneurial factors specifically on innovativeness, proactiveness and risk-taking on the performance of the CBHFs. The findings have been compared with the existing studies and literature to achieve a deeper understanding.

5.2.1 Objective One

To determine innovative practices influencing performance in Community based health-financing schemes at Kibera informal settlement in Nairobi City County.

According to Drucker (1985), innovation is at the heart of entrepreneurship. He viewed that an organization-wide entrepreneurial spirit to cope with and benefit from rapidly changing marketplace conditions would be possible only if suitable innovative undertakings are established. Similarly, this study found, the CBHFs exhibited some innovative similar characteristics. The study indicated a high-level innovation of products (Mean=4.36) and change in production process (Mean=4.34). Technological change reflected by a (Mean=4.21) has led to increased production (Mean=4.11) and quality goods and services (Mean=3.97). There is also increased capacity of producing goods and services to a great extent (Mean=4.39). All these innovation in the form of new products, services, and processes, or in a combination of these are keys to gaining sustainable competitive advantage (Hornsby, Kuratko and Zahra 2002, Tidd *et al.*, 2001). According to Gunasekaran *et al.*, (1996), however, an effective innovation process requires managers to focus not only on products, technology and processes but also on the culture of the organization, its norms, values and beliefs.

The study established that some innovative aspects were more influential on the performance of the CBHFs. According to the findings improved quality of goods and services, increase in capacity for producing goods and services, improvement in flexibility for producing goods and services, reduced environmental impacts and increase in the range of goods were ranked the most important elements of innovation which mostly influenced performance of the CBHFs. Thus, capitalizing on the said innovative aspects could greatly enhance the performance of the CBHFs.

Hypothesis testing: Innovativeness and performance of the CBHFs

H_{1_1}: Innovative practices do not influence performance in CBHF.

The study's alternative hypothesis stated that performance of the CBHFs before and after introduction of new products and services, new technologies were statistically significantly different, meaning that innovativeness and creativity influence the performance of the CBHFs. However, from the results of this study (χ^2 =868.348, p=0.185), indicated that there is no statistically significant different between innovativeness and performance. This implies that innovativeness influences the performance of the CBHFs insignificantly. Thus, the study rejects the alternative hypothesis and accepts the null hypothesis that creativity and innovativeness does not influence the performance of the CBHFs. This could be due to poor implementation of the new processes or the heavy capital usage at the initial stages of implementation of the new innovations.

5.2.2 Objective Two

To evaluate dimensions of proactiveness enhancing performance of community based health-financing Schemes at Kibera informal settlement in Nairobi City County.

The study established some proactive aspects of CBHFs. Lumpkin and Dess, (2001) described proactiveness as a factor, which centres on organizational pursuits of favourable business opportunities. These are reflected in the study findings as the results indicated that the CBHFs select and train members to a great extent (Mean=4.05). They had adopted some liberating strategies (Mean=3.99) and inspired

proactive behaviour among the CBHF members (Mean=4.30). The CBHFs also worked towards reducing risks (Mean=4.06), laid strategic perspective for proactive changes (Mean=4.41) and their scheme management made technical arrangements to a great extent (Mean=3.96). Further, the CBHFs struggled to make premiums and other contributions affordable (Mean=4.29).

Although there were so many aspects of proactiveness which influenced the performance of the CBHFs. Technical arrangements of the CBHFs made by the scheme management, strategic perspective for proactive changes, adequate attention in reducing risk (PESTEL) and making premium and contribution more affordable were ranked as the most important aspects of proactiveness which influences performance of the CBHFs most. Thus more attention on the aspects suggests better performance. This reflects the views of Carver *et al.*, (2004) that being a leader is more beneficial than waiting to identify strategies or following the competitors cause to fight for some pie in less market against the first mover.

Hypothesis Testing: Proactiveness and performance

H_{I2}: CBHFs proactiveness does not enhance its performance

The null hypothesis of this objective meant that the data distributions for all the CBHFs were similar regardless of the proactiveness of the CBHFs. However, the chi-square results were χ^2 =781.463, p=0.002. This implies that there existed significant differences across the CBHFs on performance based on the proactiveness of the

CBHF. Thus, the study rejects the null hypothesis and accepts the alternative hypothesis that proactiveness influences the performance of the CBHFs.

5.2.3 Objective Three

To examine risk-taking by community-based health financing schemes at Kibera informal settlement in Nairobi City County as a way of enhancing sustainability.

Another entrepreneurial factor assessed was risk taking by the CBHFs. Kanter (2006) was contented that those conservative and risk-averse attitudes of firms would cause a decrease in market share and even a loss of competitive position. From the findings, the study established that the CBHFs worked amidst social and family risks. The CBHFs faced risks while pooling resources (Mean=3.83), engaged in business related risks (Mean=3.59) undertook new venture risks (Mean=3.53) and faced risks in their management. Significantly, all the risks stated were found to affect the performance of the CBHFs. These findings agree with Kanter (2006) views that successful firms either identify new markets or introduce new services/products to the existing markets or the combinations of two by taking risks to fulfil the market opportunities.

The risk- taking is a very important aspect of entrepreneurship. According to the findings, schemes excessive perceived risk, value and belief risk for members, business related risk and new venture initiative risk were the most influencing types of risks on the performance of the CBHFs. This agrees with Kanter (2006) who viewed that conservative and risk-averse attitudes of firms can cause a decrease in market share and even a loss of competitive position.

Hypothesis Testing: Risk taking and Performance of CBHFs

H_{13}: Risk undertaking does not influence performance of CBHF schemes

According to the null hypothesis, the distribution of the data was the same across the CBHFs regardless of the risks they took in their operation. This would mean that taking of risks did not influence performance of the CBHFs. The findings of the chi-square however show that χ^2 =1161.988, $p<0.001$. This indicates that there were differences in performances depending on the risks the CBHFs took implying that risk taking influences the performance of the CBHFs.

5.2.4 Objective Four

To evaluate the effect of firm size on the performance of community based health financing schemes at Kibera informal settlement in Nairobi City County. The study findings indicate that the number of the organizations influenced the locals in getting loans from different sources. In addition, the size of the business and the size of the scheme influenced the performance of the CBHFs insignificantly especially on the application and distribution of loans to the members. These were in line with its Penrose (19590 who argued that diverse capabilities, the abilities to exploit economies of scale and scope and the formalization of procedures in large groups, allowed the groups to generate superior performance relative to smaller firms (Penrose, 1959).

Hypothesis Tests

H_{14}: Firm size does not influence performance of CBHFs

Although the size of the schemes and business affected the performance of the CBHFs according to the respondents, the hypothesis tests results indicated that the size of the business was not very significant in influencing the performance of the CBHFs ($\chi^{2=}$444.776 and the p=0.534). This underscores the idea that a small firm can grow and perform better than the well established firms and organizations. This could be linked with Abor and Biekpe (2009) who theorized of a positive relationship between size and capital structure of SMEs and smaller firms are more likely to depend on equity while larger firms are more likely to use debt.

5.2.5 Objective Five

To assess the effect of location of schemes on the performance of community-based health financing schemes at Kibera informal settlement in Nairobi City County.

The location of an organization may have some influence on the firm. This could be attributed to the accessibility of the location, availability of ready market of the place, security of the place and many other things. From the study findings, location of the schemes had great influence on how the locals got their loans. The location also affected the membership of the CBHFs. The location of the schemes and businesses also affected the ease at which the locals got their loans. According to Kala *et al.*, (2010), strategic location of the domestic firms has assisted them in achieving a positive performance. In a nutshell, location is an indispensible factor that shapes and

determines the success or failure of entrepreneurial development and business activities.

Hypothesis Testing on Location and Performance of the CBHFs

H_{15}: Location of schemes does not influences performance of CBHFs

The hypothesis of the study on location as stated below was tested using chi-square statistics. The study findings show that the location of the schemes and businesses influenced the membership of the schemes and also greatly affected the ease at which the members could get assisted (χ^2=590.432 and the p=0.008). This indicates that the location of an organization is very important is determining the performance of the organizations and should be taken into considerations critically.

The performance of the CBHFs was studied in three ways: organizational commitment, entrepreneurial commitment and entrepreneurial knowledge. The CBHFs were found being very committed. They provide fringe benefits, regularly communicated with employees and sought their opinions, provided counselling to employees, maintained clean, healthy and safe environments and held regular meetings so as to review progress discuss issues and develop solutions for their organizations. These results highly resonate with Neely *et al.*, (2005) theories that performance system should be linked to reward systems (Tsang *et al.*, 1999) and financial and non-financial set of measures should be coherent and consistent with the strategic framework (Drucker, 1990).

The study noted that CBHFs were committed on entrepreneurial activities. The managers made regular visits to employees (Mean=4.21), conducted training for employees to enhance their performance, maintained open door policies (Mean=4.01) and promoted employees who demonstrated good performance.

Lastly, the study established deep entrepreneurial knowledge among the members and other stakeholders. The members were aware of the premiums and contributions of the schemes (Mean=4.53). The CBHF staff and members adopted appropriate channels of communication (Mean=4.45) to a great extent. The CBHFs helped members to identify markets for their products (Mean=4.10) and market them (Mean=3.78). This made members and employees to be aware of their markets of their products (Mean=4.33). According to CGAP, (2004), financial sustainability depends on sustainability of the organization, suitability of the market, sustainability of legal policy as an enabling environment and sustainability of the impact they have on the poor.

According to the inferential statistics done, the correlation test identified similar findings on the relationship between the entrepreneurial factors and the performance of the CBHFs. The correlation results identified that entrepreneurial factors such as innovativeness, proactiveness and risk-taking were all positively related with the performance of the CBHFs. This indicates that any improvement in performance of the CBHFs was accompanied by an increase in innovation (P=0.010, r= 0.195), When the CBHFs staff at CBHFs became more proactive there was an improvement in

performance of the CBHFs (P<0.001, r=0.3.15). Taking of new and risky ventures was accompanied by some improvement in the performance of the CBHFs (P<0.001, r=0.564). Similarly, innovativeness and proactiveness were positively related (r=0.247, P=001). However, taking of risks by the CBHFs was related neither with innovativeness nor proactiveness of the CBHFs.

The effect of the entrepreneurial factors was studied further through regression. All the three factors of the study i.e. innovativeness, proactiveness and risk-taking were all important predictors of the performance of the CBHFs (F=30.358, p<0.001).

The t-statistics gave similar results, innovativeness (p=0.037), proactiveness (p<0.001) and Risk taking (p<0.001) were all indicating that each of the factor was significant in predicting the performance of the CBHFs. The performance of the CBHFs could improve by 1.659 units without the entrepreneurial factors. However, the contribution of the factors was great and important in estimating the performance of the CBHFs. From the findings, the most influential factor was risk taking, followed by proactiveness and lastly innovativeness of the CBHFs. Thus, the three entrepreneurial factors such as innovativeness, proactiveness and risk-taking are important factors which affect the performance of the CBHFs.

5.3 Conclusions

The study made the following conclusions based on the findings:

i. The study noted a high level of innovative spirit and behaviour among the CBHFs in Kibera informal settlement. There was great innovation of products

and changes in production process. Other innovative aspects has been shown in technological changes which has led to increased production, quality goods/services and increased capacity of producing goods and services to a great extent. The study established proactive behaviour in the operations of CBHFs. The CBHFs select and train members, adopt liberate strategies, instil proactive behaviour among the CBHFs members, work to reduce risks, make premiums and other contributions.

ii. The third entrepreneurial factor established was risk- taking. The study noted that CBHFs engage in risks especially when pooling resources, when operating businesses, undertaking new ventures and managerial risks. The study also established that there is a high risk among the members of the schemes who usually becomes a guarantor to the other members, and in the event that one defaults the ends up owning the loss incurred.

iii. The performance of the CBHFs on organizational commitment was found to be good and adequate. The CBHFs provide fridge benefits, communicate with employees, seek their opinions, provide counselling services, maintain clean, healthy and safe environment as well having regular meetings with all stakeholders.

iv. The CBHFs management demonstrate good entrepreneurial commitment. They make regular visits to members, conduct training for members, maintain open door policies and promote well performing members and employees.

v. The CBHFs further have deep knowledge among the members and other stakeholders. According to the study findings, members are aware of the premiums and contributions. They have appropriate channels of communication, CBHFs assist members to identify markets and market their products, all which have made members aware of their product markets.

5.4 Recommendations

This section outlines the recommendations of the study. The recommendations were drawn after the data analysis, discussion and conclusions had been made. The recommendations represent measures to be taken by the various stakeholders on how to enhance entrepreneurship.

i. The study established that CBHFs innovation was not significant as compared to proactiveness and risk-taking in their performance. The study therefore recommends that CBHFs strive to be more creative and innovative to provide improved quality of goods and services, increased capacity for producing goods and services, improved flexibility for producing goods and services, reduced legal environmental hindrances to realise increased capacity, and quality products and services.

ii. The proactive nature of the CBHFs contributed largely to the performance of the CBHFs. The study recommends that the management of the CBHFs should train her members on dimensions of entrepreneurship, introduce entrepreneurial skills and culture among the stakeholders.

iii. The study established that risk-taking is very significant in predicting the performance of the CBHFs. The study recommends that the CBHFs takes caution to avoid risky involvements, which could greatly influence the performance of the CBHFs. The study recommends that more training be done on the members to equip them with entrepreneurial skills to enable them make entrepreneurial ventures and sustain them profitably. The CBHFs should come up with new adventures and efficient ways of doing their operations with an aim of reducing the risks involved. This will reduce greatly the cost of running the CBHFs. The study established that strong organizational commitment was vital for a success of the CBHFs. It is recommended therefore that CBHFs should increase their focus on the internal operations and control systems to make internal processes more efficient.

iv. The study also identified lawlessness in creativity of the schemes, other than health financing of the scheme members, the research study revealed that majority of the schemes have ventured in the health financing schemes and have not been creative in venturing to other innovative activities. The study recommends that more training programmes on creativity of the schemes and individual members of the schemes should be in. Members should be trained and get exposed to more creative thinking and reduce the monotony on the business activity that all the schemes are involved in.

v. The various sections should provide the suggestions of entrepreneurial recommendations on schemes and government to improve the performance of the CBHF schemes.

vi. The CBHFs management in Kibera informal settlement recommended highly, the need for enhancing the growth of the CBHFs in informal settlement. The study indicates that there is a high potential in CBHFs and for a long time, it has enhanced sustained growth in the people living in informal settlement. The government should put more emphasis on the support in the community based organizations dwellers living in the informal settlement.

vii. From the research findings, it is evident that many legal issues and unclear government policies affect the effective performance of the schemes. To improve on these issues the government should put clear polices and the support e.g. Government agencies that would educate, ease intriguing issues and encourage the people living in the informal settlement to engage in activities that envisage development to all communities but not a subsection of the communities.

viii. Further, the government should encourage and support collaborative engagement of the schemes with the donor communities that have voluntarily offered support to communities in the informal settlement and particularly to the non-government agencies supporting and funding of the community project is and the development Community schemes.

ix. Government indicates that community based organization has helped in the growth of the Gross Domestic Product of the nation. The government should encourage the people in the informal settlement to embrace group activity, to be more proactive and creative to bring change and growth among the groups. The study recommends joint ventures with non-governmental organization are to embrace development and financially supports to the community based organization living in the informal settlements.

x. Governments should ensure that they have put in place public policies that encourage inclusive economic growth. Such policies will make a positive contribution to the operation of CBHFs for three reasons: First, as incomes rise, CBHF schemes become more affordable to a larger group of community members. Second, a growing economy generates resources that can be used to augment the supply of public and private goods that influence private health outcomes such as clean drinking water, maternal education, good nutrition and preventive healthcare. It is recommended that the government improves the supply of healthcare that will also boost the returns to health insurance, making CBHF a more attractive and affordable risk management device.

xi. Lastly, households are more likely to allocate resources to CBHFs when they expect their incomes to rise than when economic decline forces them to build up precautionary savings. Governments should also therefore ensure the maintenance of internal security. CBHF schemes require a reasonable level of

peace, security and social solidarity if they are to function well. In conflict settings, social solidarity breaks down health costs and the communities' ability to pay for insurance plummets. Governments also need to have in place a strong government and a healthcare effort. Health insurance is of little value if healthcare provision is weak. Government is still the most important provider of healthcare services through public hospitals and primary healthcare centres and services. The healthcare services that CBHF schemes buy should be acceptable and of accessible quality. If either government, NGOs or the private sector is providing local health services that are of suitable quality, then there is little advantage of pooling funds to manage health risks locally. Governments can assist CBHF schemes by ensuring that one of the key preconditions to its success are met - i.e. by strengthening the supply side of the provision and ensuring that the essential healthcare services are accessible to the poor.

5.5 Areas for Further Research

The findings of the study, as summarized in the previous section have several implications for theory, methodology and practice.

a. Theoretical Studies and Academic Implications

The findings of this study have contributed to the existing stock of knowledge in the literature of entrepreneurial factors influencing the performance of community based health financing schemes in informal settlement. Despite this known fact of the importance of performance of community based health financing schemes, there had

been a gap in empirical knowledge in developing countries, and in this case, about the factors influence of entrepreneurial practices particularly in informal settlement in Kenya. Therefore, the findings of this study have contributed in filling this knowledge gap.

b. Studies on Methods and Methodology Implications

This study was descriptive in design utilizing both qualitative and quantitative approaches. Though qualitative results disclosed that entrepreneurial factors that is; innovation, proactiveness and risk-taking helps many schemes achieving their performance objectives with significant effect, unavailability of reliable entrepreneurial practices had to be confirmed from their schemes to establish the actual performance. Attempting to this, the researcher examined that influence of any variable on performance should not be depended upon solely on reported quantitative entrepreneurial information when provided qualitatively.

c. Practice Implications

Similarly, this study focused on three variables; there are other variables other than innovation, proactiveness risk- taking, size and location of the schemes, which according to the research have proved to have an influence on the performance of the CBHFs. Other variables such as access to financial resources and autonomy of the schemes also need to be accounted for in the future research to determine their effect on the performance of the performance of individual members and schemes.

As such, the study also focused on Kibera informal settlement, future research can be done in other schemes to determine the similarity of the same innovativeness, proactiveness and risk- taking and understand whether the same variable applies across the informal settlement in Kenya. Similarly, the study recommends further research to understand significance effects of same entrepreneurial factors and determine significant effect of innovation in other schemes as it indicated less significant effect in Kibera informal settlement. Likewise, proactiveness and risk-taking need to be encountered to determine whether they also justifies significant performance effect in other informal settlements schemes as it was noted in the Kibera informal settlement in Nairobi City County, Kenya.

d. Policy Implication

This study relied on data and information collected from the Kibera informal settlement CBHFs in Nairobi City County. The data was collected from the respondents using questionnaires and through interview guide for the key informants. This data and information developed in the study and findings from other CBHFs in other parts of the country and the world at large could differ. This study, therefore, recommends that other similar studies be done in other areas to establish whether other CBHFs in other informal settlements and the world at large exhibit similar entrepreneurial factor that influence the performance of the CBHFs.

This study focussed on the entrepreneurial factors undertaken and affecting the management of the CBHFs. The effect of the entrepreneurial factors at individual

level could be different from the above findings. Thus, the study recommends further research on the effect of the staff innovativeness, staff proactiveness and staff risk-taking attributes on the performance of the CBHFs and determines their effect on the performance of the CBHFs.

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APPENDICES

APPENDIX 1: STUDY QUESTIONNAIRRE

Section A: Demographic Characteristics

1. Indicate by placing a tick a (√) in the appropriate box, which corresponds to your choice.

2. Name of CBHF you are involved?

Fri pals –Mashimoni [ ]

Ushirika---Kianda [ ]

Jamii Bora trust [ ]

Chemi-Chemi [ ]

Others .....

3. Kindly indicate the current number of Active registered members in your CBHF .....

4. What is your position in this CBHF?

CEO [ ]

Top Level Manager [ ]

Administrator [ ]

Member [ ]

Other (kindly specify).....

5. How many years have you worked with the CBHF you are involved in?

Less than 1 year [ ]

2 - 5 years [ ]

6- 10 years [ ]

Over 11 years [ ]

6. For how long have the CBHFs you are involved in been in operation?

Less than 1 year [ ]

2 - 5 years [ ]

6 - 10 years [ ]

Over 11 years [ ]

7. What are the various services and products are offered by CBHF schemes you belong to?

.....

.....

Section B: Innovativeness

8.(a) What is the level of adoption of the following markets and product and service innovativeness by your scheme? Indicate by placing a tick a (√) in the appropriate box which corresponds to your choice from 5= very great extent, 4= great, 3= moderate extent, 2= lower extent 1= no extent 1 2 3 4 5

Product innovation has change with time ( ) ( ) ( ) ( ) ( )

Product production process has change with time ( ) ( ) ( ) ( ) ( )

Process innovation has change with time ( ) ( ) ( ) ( ) ( )

Technological change/innovation has been realized ( ) ( ) ( ) ( ) ( )

There has been increase range of goods ( ) ( ) ( ) ( ) ( )

Improved quality of goods or services Increase value added ( ) ( ) ( ) ( ) ( )

Improve flexibility for producing goods or services ( ) ( ) ( ) ( ) ( )

Increase capacity for producing goods or services ( ) ( ) ( ) ( ) ( )

Reduce environmental impacts ( ) ( ) ( ) ( ) ( )

Improve health and safety ( ) ( ) ( ) ( ) ( )

Others (1).....

(2).....

8(b). Indicate by ranking the above innovativeness influence your scheme performance under the scale of the scale of (1-10) **(NB: No ties in any of the innovativeness)**

Product innovation has change with time	[ ]
Product production process has change with time	[ ]
Process innovation has change with time	[ ]
Technological change/innovation has been realized	[ ]
There has been increase range of goods	[ ]
Improved quality of goods or services Increase value added	[ ]
Improve flexibility for producing goods or services	[ ]
Increase capacity for producing goods or services	[ ]
Reduce environmental impacts	[ ]
Improve health and safety	[ ]

Others

(1).....

(2).....

Section C: Proactiveness

9(a) What is the level of adoption of the following proactiveness behaviour by your scheme? Indicate by placing a tick a (√) in the appropriate box which corresponds to your choice from 5= very great extent, 4= great, 3= moderate extent, 2= lower extent 1= no extent 1 2 3 4 5

Selecting and Training for CBHFs members ( ) ( ) ( ) ( ) ( )

Liberating (relaxing the over controlling Tendencies i.e., policies and structures) ( ) ( ) ( ) ( ) ( )

Inspiring proactive behaviour to CBHFs members ( ) ( ) ( ) ( ) ( )

Adequate attention reducing the Risks (PESTEL) ( ) ( ) ( ) ( ) ( )

Strategic perspective for proactive changes ( ) ( ) ( ) ( ) ( )

Technical arrangements made by the scheme management ( ) ( ) ( ) ( ) ( )

Affordability of premiums or contributions ( ) ( ) ( ) ( ) ( )

Family as the unit of membership ( ) ( ) ( ) ( ) ( )

Others

.....

.....

9 (b). Indicate by ranking the above proactiveness influence your scheme performance under the scale of the scale of (1 - 8) **(NB: No ties in any of the proactiveness)**

Selecting and Training for CBHFs members [ ]

Liberating (relaxing the over controlling Tendencies i.e., policies and structures) [ ]

Inspiring proactive behaviour to CBHFs members [ ]

Adequate attention reducing the Risks (PESTEL) [ ]

Strategic perspective for proactive changes [ ]

Technical arrangements made by the scheme management [ ]

Affordability of premiums or contributions [ ]

Family as the unit of membership [ ]

Section D: Risk-taking

10.(a) What is the level of adoption of the following risk undertaking by your scheme? Indicate by placing a tick a (√) in the appropriate box which corresponds to your choice from 5= very great extent, 4= great, 3= moderate extent, 2= lower extent 1= no extent.1 2 3 4 5

The scheme experience excessive perceived economic risk ( ) ( ) ( ) ( ) ( )

Social and family risk influences the CBHF performance ( ) ( ) ( ) ( ) ( )

Financial risk/ funds mobilized influences CBHF Performance ( ) ( ) ( ) ( ) ( )

Pooling of resources influences CBHF performance ( ) ( ) ( ) ( ) ( )

Business related risk influences CBHF performance ( ) ( ) ( ) ( ) ( )

New venture initiatives risk influences CBHF performance ( ) ( ) ( ) ( ) ( )

Value and belief risk for members influences CBHF Performance ( ) ( ) ( ) ( ) ( )

Management risk influences CBHF performance ( ) ( ) ( ) ( ) ( )

11.(b). Indicate by ranking the above risk undertaking influence in your scheme performance under the scale of the scale of (1 – 8) **(NB: No ties in any of the risks)**

The scheme experience excessive perceived economic risk [ ]

Social and family risk influences the CBHF performance [ ]

Financial risk/ funds mobilized influences CBHF performance [ ]

Pooling of resources influences CBHF performance [ ]

Business related risk influences CBHF performance [ ]

New venture initiatives risk influences CBHF performance [ ]

Value and belief risk for members influences CBHF performance [ ]

Management risk influences CBHF performance [ ]

Section D: Performance of CBHFs in Kibera

12. To what extent do the following dimensions of entrepreneurial practices influence the performance CBHFs in Kibera? Indicate by placing a tick a (√) in the appropriate box which corresponds to your choice from 5= very great extent, 4= great, 3= moderate extent, 2= lower extent 1= no extent.

Entrepreneurial factors influencing Performance of CBHFs in Kibera	Very great extent	Great extent	Moderate extent	Low extent	No extent at all
Providing employees with fringe benefits such as monitory rewards, certificate, verbal statement/acknowledgement and welfare funds.					
Timing of collecting the contributions					
Technical arrangements made by the scheme management					
Affordability of premiums or contributions					
Conducting training for employees with a view of enhancing their performance					
Promoting employees who demonstrate good performance					

Holding regular meetings to review progress, discuss issues and agree on possible solutions to problems faced by employees					
Maintaining an open-door policy by managers of the CBHF					
Regular visits to employees and members by managers of the CBHF					
Providing regular feedback to employees and seeking feedback from them					
Provision of counselling services to employees and members of the CBHF on problems related to their involvement with the organization.					
Providing a clean, healthy and safe working environment for employees					
Adopting most appropriate channels of communication with employees and members of the CBHF					

APPENDIX 2: INTERVIEW GUIDE FOR AND KEY INFORMANTS

Part one: Background information

Date _____

1. CBHF Scheme _____
2. Scheme manager (respondent) _____
3. Year CBHF Scheme was established _____
4. How many years have you worked with the CBHF you are involved in .....
5. What are the various services and products are offered by CBHF schemes you belong to?

   .....

   .....

6. Describe the performance of your CBHF

.....

.....

Part Two: Innovativeness

7. You have said you belong to a …….. CBHF scheme, what is the level of entrepreneurial innovativeness in your CBHF?

……

……

……

8. What are entrepreneurial innovativeness practices adopted by your scheme influence performance your scheme?

……

……

……

Part Three: Entrepreneurship Performance

9. What are good practices/models that enhancing performance of community based health-financing schemes?

……

……

……

10. What is entrepreneurial innovativeness has you and members of your scheme has adopted?

.....

.....

Part Four: Proactiveness

11. What is proativeness behaviour that promotes effective performance of community based health financing schemes

.....

.....

12. What is the entrepreneurial proactiveness adopted by CBHF schemes which promotes and enhance sustainability and continued performance of the scheme?

.....

.....

Part Five: Risk-taking

13. What is level of risk-taking in your Scheme?

.....

.....

.....

14. What is the various entrepreneurship risk associated by your schemes?

.....

.....

.....

15. What are the measures adopted by scheme to curb risks?

.....

.....

.....

16. What socio-economic risk influencing the performance of CBHFs?

.....

.....

.....

17. What are socio-economic risk affecting the performance of CBHFs?

.....

.....

.....

18. Does community involvement pose any risk-taking in CBHFs performance?

.....

.....

Part Six: Size and location of the CBHFs

19. In which Category does your CBHFs Fit? (Tick the one that applies)

Service [ ] Manufacturing [ ] Trade [ ]

20. Which of the following describes the influence of size of your scheme on where you apply for entrepreneurial loan? Indicate by placing a tick a (√) in the appropriate box which corresponds to your choice from 5= strongly agree, 4= Agree, 3= Neutral, 2= disagree 1= strongly disagree.

Size parameters	Strongly agree	Agree	Neutral	Disagree	Disagree
The Number of scheme members influenced where you obtained loan from					
Gross profit influence where you got the loan finance					
The size of business determined where you got your finance					
The size of your scheme determined where you got your finance.					

21. Which of the following describes the effect of Location of your scheme on where you apply for entrepreneurial loan? Indicate by placing a tick a (√) in the appropriate box which corresponds to your choice from 5= strongly agree, 4= Agree, 3= Neutral, 2= disagree 1= strongly disagree.

Location parameters	**Strongly agree**	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**

The Location of scheme to the members influenced where you obtained loan from					
Location of your scheme influence where you get the loan finance					
The location of your business determined where you get your finance					
The Location CBHFs office influences the membership of your scheme.					

APPENDIX 3: REGISTERED CBHFS WITH REGISTERED MEMBER

Scheme	Registered Members
Fri pals –Mashimoni	2259
Ushirika---Kianda	10273
MSF---Lindi	2350
Undugu	4671
K-Rep	3755
Juhudi Group	3211
Jamii Bora Trust	6894
Chemi-Chemi	2880
Total	36293

APPENDIX 4: INNOVATIVENESS OF THE CBHFS IN PERCENTAGES

	No extent		Lower extent		Moderate extent		Great extent		Very great extent			
	N	%	N	%	N	%	N	%	N	%	N	%
Product innovation has change in time			6	3.3	22	12.0	56	30.6	99	54.1	183	100.0
Product production process has change in time	3	1.6	4	2.2	26	14.2	45	24.6	105	57.4	183	100.0
Process innovation has change with time			10	5.5	19	10.4	55	30.1	99	54.1	183	100.0
Technological change/innovation has been realized	1	.5	11	6.0	31	16.9	46	25.1	94	51.4	183	100.0
There has been increase range of goods	2	1.1	4	2.2	36	19.8	70	38.5	70	38.5	182	100.0
Improved quality of goods or services increase value added			1	.6	19	10.6	55	30.7	104	58.1	179	100.0
Improve flexibility for producing goods or services			7	3.8	49	26.8	69	37.7	58	31.7	183	100.0
Increase capacity for producing goods or services	2	1.1	1	.5	17	9.3	66	36.3	96	52.7	182	100.0
Reduce environmental impacts	1	.5	4	2.2	34	18.7	68	37.4	75	41.2	182	100.0
Improve health and safety	1	.5	1	.5	17	9.3	56	30.8	107	58.8	182	100.0

APPENDIX 5: PROACTIVENESS OF THE CBHFS IN PERCENTAGES

	No extent		Lower extent		Moderate extent		Great extent		Very great extent			
	N	%	N	%	N	%	N	%	N	%	N	%
Selecting and training for CBHFs members	1	.5	9	4.9	48	26.1	51	27.7	75	40.8	184	100.0
Liberating(relaxing the over controlling tendencies i.e., policies and structures			15	8.2	39	21.2	62	33.7	68	37.0	184	100.0
Inspiring proactive behaviour to CBHFs members	1	.5	3	1.6	28	15.2	56	30.4	96	52.2	184	100.0
Adequate attention reducing the risk(PESTEL)			7	3.8	44	23.9	69	37.5	64	34.8	184	100.0
Strategic perspective for proactive changes			6	3.3	38	20.7	69	37.5	71	38.6	184	100.0
Technical arrangement made by the scheme management			8	4.3	45	24.5	78	42.4	53	28.8	184	100.0
Affordability of premium or contributions	2	1.1	1	.5	26	14.1	72	39.1	83	45.1	184	100.0
Family as the unit of membership	2	1.1	8	4.3	30	16.3	63	34.2	81	44.0	184	100.0

APPENDIX 6: RISK TAKING OF THE CBHFS IN PERCENTAGES

	No extent		Lower extent		Moderate extent		Great extent		Very great extent			
	N	%	N	%	N	%	N	%	N	%	N	%
The scheme excessive perceived economic risk	19	10.4	30	16.4	76	41.5	41	22.4	17	9.3	183	100.
Social and family risk influences the CBHF performance	16	8.7	27	14.8	47	25.7	65	35.5	28	15.3	183	100.
Financial risk/funds mobilized influences CBHF performance	10	5.5	29	15.8	57	31.1	58	31.7	29	15.8	183	100.
Pooling of resources influences CBHF performance	4	2.2	12	6.6	44	24.0	75	41.0	48	26.2	183	100.
Business related risk influences CBHF performance	5	2.7	21	11.5	58	31.9	57	31.3	41	22.5	182	100.
New venture initiatives risk influences CBHF performance	7	3.8	20	11.0	63	34.6	54	29.7	38	20.9	182	100.
New venture initiatives risk influences CBHF performance	8	4.4	23	12.6	69	37.7	71	38.8	12	6.6	183	100.
Management risk influences CBHF performance	7	3.8	26	14.2	35	19.1	73	39.9	42	23.0	183	100