

# Journal of Entrepreneurship & Project Management

ISSN Online: 2616-8464

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Peer Reviewed Journals & books

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**ISSN: 2616-8464**

# Effect of self-Efficacy on the Performance of Small and Medium Enterprises in Kenya

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How to cite this article: Kimathi,B.M, Mukulu, E. & Odhiambo, R. (2019), Effect of self-Efficacy on the Performance of Small and Medium Enterprises in Kenya, *Journal of Entrepreneurship & Project Management*. Vol 3(2) pp. 1-16.

## Abstract

Entrepreneurial mindset is one possible strategy for enhancing the performance of SMEs. This study, therefore, sought to investigate effect of self-efficacy on the performance of small and medium enterprises in Kenya. The focus of the research was to measure the entrepreneurs' self-efficacy and how this attribute contributes to the performance of an SME. The study adopted survey research design focusing on a population of 268,100 licensed small and medium enterprises in Nairobi County in Kenya, from which a sample of 400 firms were selected through a multi-stage probability sampling method where stratified sampling method was used first and then simple random sampling from the strata for the 17 constituencies under the Nairobi county. Quantitative data was collected using questionnaires and analyzed using Statistical Package for Social Science (SPSS) and Microsoft Excel. The study results established that entrepreneur's self-efficacy had positive and significant effect on performance of small and medium size enterprises in Kenya. The study finally concluded that self-efficacy of an entrepreneur is the foundation on which all other entrepreneurial mindset attributes such risk taking, innovativeness and creativity are built hence it is a good predictor of high business performance. Entrepreneurs with high self-efficacy steer their business to profitability even in turbulent business environment. The study finally recommends that SMEs owners should possess high self-efficacy and the belief and ability to steer their businesses to high heights, such beliefs will ensure they run their enterprises with resilience especially during turbulent times.

**Keywords:** *Entrepreneurial mindset, Kenya, SMEs and Self-Efficacy*

## **1.0 Background Information**

Today's global economy is characterized by changes in development, technology fueled by information and driven by entrepreneurial knowledge, skills and mindset (Gyong, 2014). To succeed in today's business world calls for appropriate innovative ideas and strategies which are functions of entrepreneurial mindset. Entrepreneurial mindset is therefore a critical issue in today's business sustainability (Tyopine, Teddy, James & Ringim, 2016). Business success is not merely a function of relevant skills; it in addition requires appropriate entrepreneurial mindsets so as to indicate a way of thinking about business and its opportunities that capture the benefits of uncertainty hence acquisition of appropriate entrepreneurial mindset creates a solid inroad to the success and performance of SMEs (Junde, 2015) For any economy world over, small and medium enterprises contribute greatly to job creation, create significant domestic and export earnings, contribute to the universal wellbeing and welfare of economies and are key instruments in poverty reduction (Muiruri, Bwisa, Muturi & Kihoro, 2017).

Small and Medium Enterprises brings new life to, and catalyzes the slow growing and stagnant economies and the contribution to economic growth and social development cannot be undermined anywhere across the globe (Gürol & Astan, 2006). Small and Medium enterprises are recognized world over as the catalyst by which global economies are built. Their importance in Kenya is reflected in the Economic Survey 2014 which showed that 80 per cent of the 800,000 jobs created were in the informal sector that is dominated by SMEs. They are the undisputed foundation of economic diversification and expansion, contributing immensely towards a positive socio-economic impact within the country (Karen, 2015). Generally, majority of Kenyan investors initiate micro, small and medium enterprises. The small enterprises employ from 10 to 49 workers, and medium enterprises are able to engage from 50 to 99 workers (Njeru, 2012). The mindset of the entrepreneur determines the business success in today's competitive market (McGrath, & MacMillan, 2000).

Success in today's dynamic and competitive business world transcend beyond a mere a mere acquisition of relevant skills, business operators under the present dispensation must in addition possess appropriate entrepreneurial mindset which is important for business success (Tyopine, Teddy, James & Ringim, 2016). An entrepreneurial mindset indicates a way of thinking about business and its opportunities that capture the benefits of uncertainty (Dhliwayo & Vuuren, 2007). According to Senge (2007) it portrays the innovative and energetic search for opportunities and facilitates actions aimed at exploiting opportunities. Entrepreneurial mindset is described by Mathisen and Arnulf (2014) as a specific state of mind which orientates human conduct towards entrepreneurial activities and outcomes indicating that individuals with entrepreneurial mindsets are often drawn to business opportunities, innovation and new value creation.

According to Faltin (2007) entrepreneurial mindset is about creativity, innovation and taking opportunities that leads to business wealth creation and success and that this type of mindset enables SME entrepreneurs to make realistic decisions when faced with uncertainties. Creativity is important for the success of the business and is a means to unlock the entrepreneurial potential of individuals, entrepreneurs and businesses, since new

ideas and approaches are key ways on promoting an entrepreneurial culture (Pisapia, 2009). Innovation is the process through which the entrepreneur converts market opportunities into workable, profitable, and marketable ideas (Ranga, Murali & Swathi, 2013).

Small and medium enterprises play a significant role creating employment opportunities to a large proportion of Kenyans more than any other sector. Approximately 720,000 (86%) new jobs were created in the informal SME sector in 2015 as compared to 120,000 (14%) in the formal sector the same year. SMEs created 3.7 Million in 1999 which grew to 12.6 million in 2015. The value of the SME's output is estimated at Ksh 3,371.7 billion against a national output of Ksh 9,971.4 representing a contribution of 33.8 per cent in 2015. In terms of gross value added, the SMEs are estimated to have contributed Ksh 1,780.0 billion compared to Ksh 5,668.2 billion for the whole economy (Kenya National Bureau of Statistics, 2016).

According to Kenya National Bureau of Statistics (2016) Kenya has 1,560,500 licensed small and medium enterprises spread across the 47 counties with Nairobi county carrying 17.18% of that number. Under the Micro and Small Enterprise Act of 2012, A small enterprise has between KES 500,000 and 5 million annual turnover and employ 10-49 people. While medium enterprises are not covered under the act, a medium enterprise has been reported to have an annual turnover of between KES 5 million and 800 million, employing 50-99 employees (Adefolake, 2016).

The SME sector in Kenya has over the years been recognized for its role in provision of goods and services, enhancing competition, fostering innovation, generating employment and in effect, alleviation of poverty. SMEs created 3.7 Million jobs in 1999 which grew to 12.6 million in 2015. In terms of gross value added, the SMEs are estimated to have contributed Ksh 1,780.0 billion compared to Ksh 5,668.2 billion for the whole economy (Kenya National Bureau of Statistics, 2016). According to Mohd, Kamaruddin, Hassan, Muda and Yahya (2014) self-efficacy plays an important role in influencing a person to achieve business goals. A person with self-efficacy has the belief in their mind that their business will succeed. According to Oyugi (2016) self-efficacy will make an entrepreneur even stronger under a high uncertainty and increase a person's effort in accomplishing a difficult task because of the beliefs inside themselves that tailor with their capability to make their business succeed.

Self-efficacy has been commonly related to performance. In the field of entrepreneurial self-efficacy, several empirical studies have found a positive relationship between a general measure of self-efficacy and business performance. According to Hmieleski and Baron (2008) the entrepreneurial self-efficacy of the entrepreneurs has been generally considered to be a robust predictor of the performance of their businesses. Self-efficacy has also been found to have important effects on other entrepreneurial-related outcomes, for example, Bradley and Roberts (2004) found self-efficacy to be positively related to the work satisfaction of entrepreneurs.

## **2.0 Literature Review**

### **2.1 Theoretical Review**

Krueger and Brazeal (1994) report that entrepreneurs who show greater self-efficacy perceive opportunities and threats differently and will take more risks in relation to their businesses. Likewise, it is demonstrated for entrepreneurs that the evaluation of a business opportunity depends on control beliefs. According to Bandura (1986) self-efficacy refers to a judgement of one's capability to accomplish a certain level of performance or desired outcomes. Individuals gradually accumulate their self-efficacy through prior cognitive, social, and physical experiences (Gist, 1987). As such, prior successful enactment of a task can change one's expectations and help further reinforce his or her self-efficacy. Bandura (1997) argued that self-efficacy affects an individual's thought patterns that can enhance or undermine performance. Specifically, if one has a high level of self-efficacy, he or she is more likely to set a higher or challenging goal, which in turn raises the level of motivation and performance attainments. A high level of self-efficacy can help individuals maintain their efforts until their initial goals are met.

According to Gist (1987) self-efficacy has a number of practical and theoretical implications for entrepreneurial success because initiating a new venture requires unique skills and mind sets, which may be far different from those required for managers in a fully established organization. Sometimes, roles for an entrepreneur may not be clearly defined, and many uncertainties may exist regarding the success of one's venture. One of the strongest barriers that an entrepreneur has to overcome is the anxiety about his or her success throughout the initial startup process.

By definition, an entrepreneur with a high level of self-efficacy, who truly believes in his or her capability to execute all of the requirements to perform a task successfully, is more likely to see the positive potential outcomes that might accrue from a new venture (Krueger & Brazeal, 1994). As a result, the entrepreneur may sustain more effort through the entrepreneurial process to achieve these positive outcomes. Self-efficacy has been linked theoretically and empirically with entrepreneurial phenomena. Feasibility perceptions consistently predict goal-directed behaviour where control is problematic (Ajzen 1991). Most important, feasibility perceptions drive career related choices, including self-employment as an entrepreneur. For example, gender and ethnic differences in career preferences seem to be fully mediated by differences in self-efficacy. Self-efficacy theory provided the foundation to understand self-efficacy, an independent variable under entrepreneurial mindset and find out its role in the performance of SMEs. The theory also guided the researcher in exploring the importance of self-efficacy in relation to performance of SMEs in Kenya.

### **2.2 Empirical Review**

Self-efficacy plays an important role in influencing a person to achieve their goals. This is because; to take a calculated risk may require a person's confidence. Mohd *et al.* (2014), study proved that, a person with a human capital pool has the belief in their mind that their business will succeed. According to Shane, Locke and Collins (2003) a person still could not perform if they don't have the confidence that their business will be successful although

they have all other relevant capabilities. Oyugi (2016) who concluded that self-efficacy will make an entrepreneur even stronger even under a high uncertainty. According to his study, self-efficacy will increase a person's effort in accomplishing a difficult task because of the beliefs inside themselves that tailor with their capability.

Another study done by Shane *et al.* (2003) stated that it is impossible to investigate the relationship between self-efficacy and performance because the relationship is considered weak. Mohd *et al.* (2014) stated that self-efficacy helps people to understand why some businesses still fail although they employ the sufficient capabilities. A low in self-efficacy may result to low performance. A person with high self-efficacy is able to utilize their skills that they have to achieve their targeted goals. A person with high self-efficacy possesses a belief in their mind that tailor with their skills to keep a cool head and perform well.

### **3.0 Research Methodology**

The study adopted descriptive research design through survey research using both quantitative and qualitative approaches. According to Aggarwal (2008) descriptive research is devoted to the gathering of information about prevailing conditions or situations for the purpose of description and interpretation. A positivistic philosophy approach was adopted in this study. Positivists believe that reality is stable and can be observed and described from an objective viewpoint (Levin, 1988), that is without interfering with the phenomena being studied.

The target population of this study comprises all licensed small and medium enterprises in Nairobi County, Kenya which are estimated to be 268,100 in number. This target population was from the 17 constituencies under the Nairobi county that is, Westlands, Dagoretti North, Dagoretti South, Langata, Kibra, Roysambu, Kasarani, Ruaraka, Embakasi South, Embakasi North, Embakasi Central, Embakasi East, Embakasi West, Makadara, Kamukunji, Starehe and Mathare (Kenya National Bureau of Statistics, 2016).

This study applied multi-stage probability sampling method. In the first stage stratified sampling method was used to divide the SMEs into 13 strata according to SME sectors with each sector forming a stratum. In the second stage, a simple random sampling method was used to select representative samples from each sector. This allows equal probability of all individuals in the defined population to be selected as a member of the sample (Kombo & Tromp, 2006). This sample is calculated using the formula developed by Cochran (1963) as cited by Singh and Masaku (2014) used was selected. This formula is used to calculate the sample sizes where the population was large. The sample size was therefore 400 SMEs randomly selected from various sectors.

In this study, a questionnaire was the most appropriate tool. The questionnaires contained both closed-ended questions and few open-ended questions to encourage higher response rate. Open-ended questions provided the respondents with a chance to express their own personal opinions beyond the researcher's hypothesized position. These questions helped in enriching the qualitative methodology effectively. The use of questionnaires also makes it possible for descriptive, correlation and inferential statistical analysis. The Likert type of questions enabled the respondents to answer the questions easily. In addition, these allowed

the researcher to carry out the quantitative approach effectively with the use of statistics for data.

The data analysis included both descriptive and inferential statistics. The ordinary least square regression analysis was used to determine the relationship that the independent variables had with the dependent variable. To test the linear relationship between the various self-efficacy and the performance of the SMEs, Spearman's rho correlation was used. The hypotheses were tested from the regression model output where:  $H_{01}: \beta_i > 0$  ( $i = 1, 2, 3, \dots, 6$ ) versus  $H_{a1}: \beta_i > 0$ . The regression output provides t values and corresponding p values. If P value  $< 0.005$  then  $H_{01}$  was rejected which implies that  $X_1$  has a significant positive relationship with Y. The research tested the following research hypothesis;

*$H_a$ : There is significant positive effect of self-efficacy on the performance of small and medium enterprises in Kenya.*

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where: Y is the performance of the SMEs

$\beta_0$  = Is a constant which represents the performance of SMEs when the independent variable under consideration are zero

$X_1$  = Self -Efficacy Index

$\beta_1$ , represent the coefficient of  $X_1$

$\varepsilon$  represents the error term

#### 4.0 Results and Discussions

In this study a response rate of 84% (335 out of 400) was obtained as shown in figure 1. This response rate was considered to be high based on the proposition of Babbie (2004) who argued that a response rate of above 50% is adequate for a descriptive study. The response was attributed to readily available SMEs, managers and owners at the time of the study. The regions targeted by the study are crowded by SMEs who showed great interest in the study.

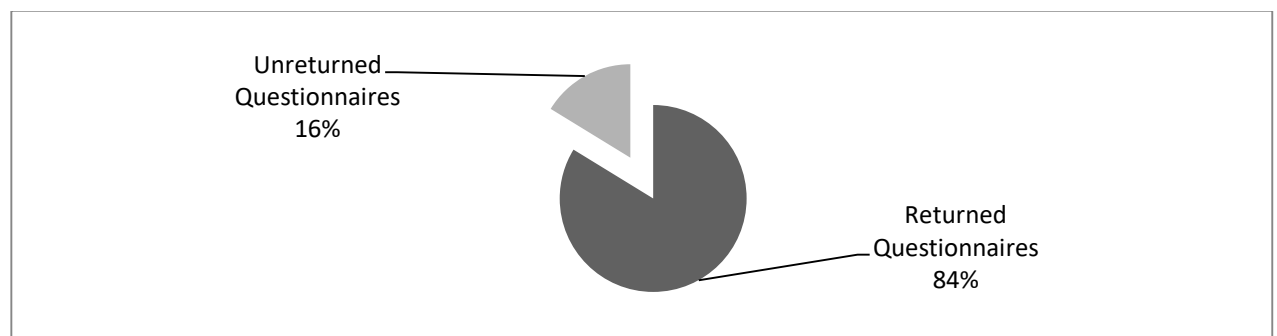
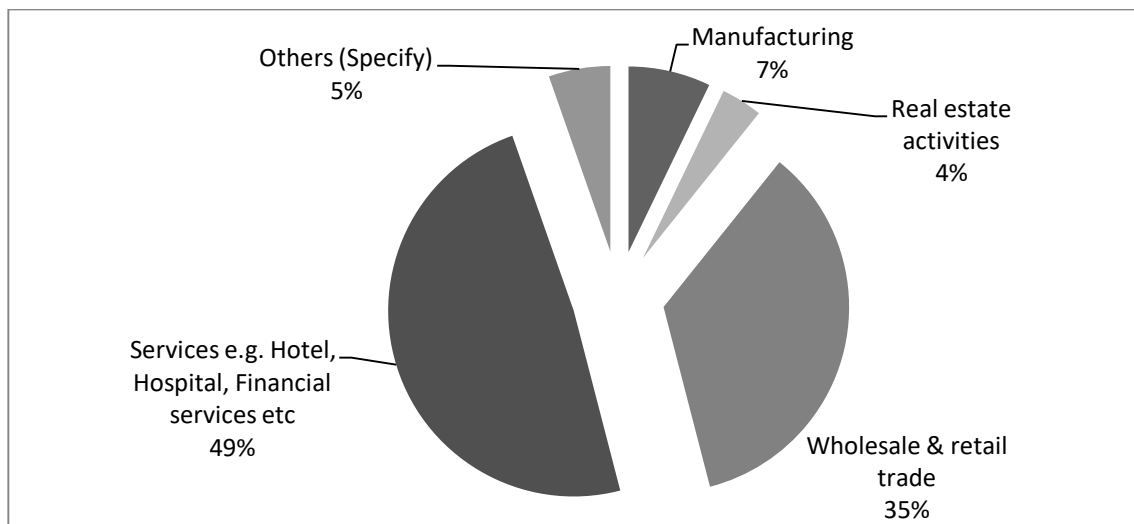


Figure 1: Response Rate

The results shows that 49% of the SMEs operated in service sectors, 35% were from wholesale and retail, 7% were from manufacturing sector, 4% were from real estate while 5% from others sectors (see Figure 2). The finding implied that large percentage of the SMEs within the study area operated in service and wholesale and retail sectors. These findings could be justified on the basis that the service sectors is not capital intensive hence attract many startups that in most case lack capital. Wholesale and retail sectors are easy to manage since they do not involve production and in most cases manufacturers offers products on credit and are paid later. The findings further implied that sectors that are less capital intensive attract many SMEs compared to those that are capital intensive such as manufacturing and real estate sector.



**Figure 2: Response Rate Based on the Sectors**

#### 4.1 Background Information of SMEs

The subsection presents the findings on the background information on the business. These include legal structure, years of operations, number of employees in yours business, current total market value of the business (Kshs) and current annual turnover/annual sales (Kshs) of the business (see Table 1).



**Table 1: Background Information on the Business**

	<b>Category</b>	<b>Frequency</b>	<b>Percent (%)</b>
Legal Structure	Sole proprietorship	217	64.8
	Partnership	49	14.6
	Limited company	69	20.6
	<b>Total</b>	<b>335</b>	<b>100</b>
Years of Operation	0-5 yrs.	214	63.9
	6-10 yrs.	79	23.6
	11-20 yrs.	36	10.7
	20 yrs. & above	6	1.8
	<b>Total</b>	<b>335</b>	<b>100</b>
Number of employees in your business	Less than 10	278	83
	11-40	48	14.3
	41-70	6	1.8
	71-100	3	0.9
	<b>Total</b>	<b>335</b>	<b>100</b>
Current total market value of the Business (Kshs)	Less than 500,000	208	62.1
	500,000 – 1,000,000	58	17.3
	1,000,001-2,000,000	6	1.8
	2,000,001-3,000,000	12	3.6
	Above 5,000,000	51	15.2
	<b>Total</b>	<b>335</b>	<b>100</b>
Current annual turnover/annual sales (Kshs) of the business	0-5 Million	229	68%
	6-10 Million	33	10%
	11-20 Million	25	7%
	21-50 Million	23	7%
	51-100 Million	15	4%
	101-200 Million	10	3%
	<b>Total</b>	<b>335</b>	<b>100</b>

#### **4.2 Descriptive Statistics Results**

The objective of the study examined the effect of self-efficacy on the performance of small and medium enterprises in Kenya. Self-efficacy was measured using coping with unexpected challenges, defining core purpose and developing new products and markets. In this section descriptive statistics which include percentages, mean and standard deviation were used. The study sought to find out the opinion of SMEs owner/managers whether their

business would survive turbulent business environment e.g. political instability. The finding showed that 37.9% agreed, 26.0% disagreed while 30.7% were not sure. This finding implied that not all SMEs in Kenya would survive turbulent business environment. The findings further showed that 50.4% agreed that they were carrying out their business just for profits while 29.6% disagreed (see Table 2).

The mean response of 4 further indicated that majority of the SMEs agreed and strongly agreed that they had worked productively under continuous stress, pressure and conflict which implied high self-efficacy among majority of the SMEs in the study population. On whether, SMEs considered themselves better and more unique than their competitors, 51.3% of the agreed while 10.7% and 30.7% disagreed and were neutral respectively. The finding further showed that 53.4% of the respondent agreed that their business could compete globally which also showed high level of self-efficacy among SMEs interviewed (see Table 2).

On whether all employees knew vision, mission, core values and objectives of the business, the finding showed that 34.6% agreed, 37.0% disagreed while 19.9% were not sure and stayed neutral. The finding further shows that respondent had varying opinions on whether their business had gone through unexpected changes in the last 5 years as shown by 26.0% who disagreed and 45.1% who agreed. The findings implied that some SMEs had gone through unexpected changes in the last 5 years while other had not. The study finally sought to find out whether SMEs had discovered new ways to improve existing products and or introduced new products. The statement had a mean score of 4 which implied that majority of the respondents agreed. The study findings generally established that SMEs owners/managers had varying level of self-efficacy. Some respondents believed in the ability of their business to maneuver difficulties encountered along the way and that their business were positioned for greater opportunity which showed high level of self-efficacy while others showed low level of self-efficacy. Entrepreneur self-efficacy is the foundation on which other aspects such risk taking, innovativeness and creativity are built hence it is a good predictor of high business performance.

The proponents of this position include Mohd *et al.* (2014) who asserted that self-efficacy plays an important role in influencing a person to achieve their goals. Also added that self-efficacy helps people to understand why some business still fail although they employ the sufficient capabilities Shane, Locke and Collins (2003) also noted that a person still could not perform if they don't have the confidence that their business will be successful although they have all other relevant capabilities. Oyugi (2016) on the hand avers that that self-efficacy will make an entrepreneur even stronger even under a high uncertainty.

**Table 2: Descriptive Analysis Results**

	SD	D	N	A	SA	Mea n	Std Dev
Our business would survive turbulent business environment e.g. political instability	3.6%	26.0 %	30.7 %	37.9%	1.8%	3	0.92
We are carrying out our business just for profits	2.7%	29.6 %	13.7 %	50.4%	3.6%	3	1.00
In the past, we have worked productively under continuous stress, pressure and conflict	0.9%	20.6 %	18.8 %	45.1%	14.6%	4	1.01
We consider ourselves better and more unique than our competitors	1.8%	10.7 %	30.7 %	51.3%	5.4%	3	0.83
We believe we can compete globally	0.9%	26.0 %	10.7 %	53.4%	9.0%	3	1.00
All staff know our vision, mission, core values and objectives	1.8%	37.0 %	19.9 %	34.6%	6.6%	3	1.03
Our business has gone through unexpected changes in the last 5 years	0.9%	26.0 %	17.0 %	45.1%	11.0%	3	1.02
We have discovered new ways to improve existing products and or introduced new products	1.8%	19.0 %	19.3 %	41.6%	18.4%	4	1.05

**SA-Strongly Agree, A-Agree, N-Neutral, D-Disagree, SD- Strongly Disagree**  
**Analysis of the Effect of Self-Efficacy on SME Performance**

### 4.3 Pearson Correlation Analysis of Self-Efficacy and SME Performance

The finding also shows that self-efficacy ( $r=0.463$ ,  $p=0.000$ ) had positive correlation with SMEs performance in Kenya (see Table 3). Mohd *et al.* (2014) who asserted that self-efficacy plays an important role in influencing a person to achieve their goals. Also added that self-efficacy helps people to understand why some business still fail although they employ the sufficient capabilities Shane, Locke and Collins (2003) also noted that a person still could not perform if they don't have the confidence that their business will be successful although they have all other relevant capabilities. Oyugi (2016) on the hand avers that that self-efficacy will make an entrepreneur even stronger even under a high uncertainty.

**Table 3: Correlation Matrix**

		Self-Efficacy	SME-Performance
Self-Efficacy	Pearson Correlation	1	.463**
	Sig. (2-tailed)		.000
	N	335	335
SME-Performance	Pearson Correlation	.463**	1
	Sig. (2-tailed)	.000	
	N	<b>335</b>	<b>335</b>

\*\* . Correlation is significant at the 0.05 level (2-tailed).

#### 4.4 Linear Regression Model Fitting for Self-Efficacy and SME Performance

##### Coefficient of Determination

The findings shows  $R=0.427$  and  $R\text{-square} = 0.183$  which implied that self-efficacy was strongly correlated with SMEs performance ( $R=0.427$ ). However,  $R\text{-square} = 0.183$  revealed that self-efficacy accounted for 18.3% of the variation in SMEs performance. The finding therefore confirmed that self-efficacy significantly influenced SMEs performance (see Table 4).

**Table 4: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.427 <sup>a</sup>	.183	.180	.79559

a. Predictors: (Constant), Self-Efficacy

##### ANOVA Results and Model Significance

The study employed ANOVA to test the significance of the regression model used to ascertain the relationship between self-efficacy and performance of small and medium size enterprises in Kenya. The null hypothesis tested was model is not statistically significant, therefore since  $f\text{-computed} = 74.353$  with  $p=0.000 < 0.05$ , the study rejected the null hypothesis and concluded that model used to link self-efficacy to SMEs Performance was significance meaning it had good fitness. The null hypothesis that self-efficacy do not significantly affect SMEs performance was rejected (see Table 5).

**Table 5: Test for Model Significance using ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	47.062	1	47.062	74.353	.000 <sup>b</sup>
	Residual	210.775	333	.633		
	Total	257.838	334			

a. Dependent Variable: SME Performance

b. Predictors: (Constant), Self-Efficacy

## Regression Coefficients

The study used regression coefficients to test the effect of self-efficacy on performance of small and medium size enterprises in Kenya (see Table 6). The research hypothesis was to test whether entrepreneur's self-efficacy had a significant effect on performance of small and medium size enterprises in Kenya. In the regression analysis entrepreneur's self-efficacy had regression coefficient  $\beta=0.558$ , with a corresponding  $p=0.000$ . The coefficient  $\beta = 0.558$  was also significantly different from 0 with a  $p\text{-value}=0.001$  which was less than 0.05 (see Table 6).

**Table 6: Regression Coefficients and Test for Hypotheses**

	B	Std. Error	Beta	t	Sig.
(Constant)	1.221	0.214		5.713	0.000
Self-Efficacy	0.558	0.065	0.427	8.623	0.000

a Dependent Variable: SME Performance

This implies that the null hypothesis  $\beta_1=0$  was rejected and the alternative hypothesis ( $H_a$ )  $\beta_1 \neq 0$  was taken to hold implying that entrepreneur's self-efficacy had positive and significant effect on performance of small and medium size enterprises in Kenya. Based on these findings a unit increase in entrepreneur's self-efficacy would results to increase of 0.558 units in performance of small and medium size enterprises in Kenya.

The findings of this concurs with those Mohd *et al.* (2014) who asserted that self-efficacy plays an important role in influencing a person to achieve their goals. Also added that self-efficacy helps people to understand why some business still fail although they employ the sufficient capabilities Shane, Locke and Collins (2003) also noted that a person still could not perform if they don't have the confidence that their business will be successful although they have all other relevant capabilities. Oyugi (2016) on the hand avers that that self-efficacy will make an entrepreneur even stronger even under a high uncertainty.

## 5.0 Conclusion

The regression results established the Self-Efficacy had positive and significant effect of performance of small and medium size enterprises in Kenya. Based on these findings a unit increase in Self-Efficacy would results to increase in performance of small and medium size enterprises in Kenya. The study finally concluded that entrepreneur self-efficacy is the foundation on which all other entrepreneurial mindset such risk taking, innovativeness and creativity are built hence it is a good predictor of high business performance. Entrepreneurs with high self-efficacy steer their businesses to profitability even in turbulent business environment.

## 6.0 Recommendations

The study finally recommends that SMEs owners should have high beliefs in themselves and their ability to steer their business to high heights such beliefs will ensure they steer their enterprises with resilient during turbulent times. Entrepreneur self-efficacy is the foundation on which other aspects such risk taking, innovativeness and creativity are built hence it is a good predictor of high business performance.

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