Entrepreneurial Career Mentoring Functions and Entrepreneurs Objective Outcomes in Eldoret, Kenya

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Abstract
Small and Medium Enterprises make significant contribution in the global economy, with respect to enterprise development and new job creation. Effective and efficient mentorship programs tend to raise entrepreneurial outcomes among entrepreneurs operating SMEs. The benefits received from entrepreneurial mentoring would be recognized in the entrepreneurs' objective and subjective entrepreneurial outcomes. The objective of the study was to establish the influence of careers mentoring functions on objective entrepreneurial outcomes within Small and Medium enterprises in Eldoret, Kenya. A sample of 363 SMEs was used for the study out of which 300 entrepreneurs responded to the questionnaires. Content analysis showed that 48 entrepreneurs had been mentored while 252 had not been mentored. Data was analyzed using Statistical Package for Social Sciences (SPSS) version 22.0. The addition of chosen demographic features to the prediction of objective entrepreneurial outcome led to a statistically significant increase in R^2 with $p < .05$. However, the addition of career mentoring factors to the prediction of objective entrepreneurial outcomes showed no significant effect of Career mentoring factors on the Objective entrepreneurial outcomes. The study

recommends that the Kenyan government should put up frameworks of careers mentoring support that would be expected to produce objective entrepreneurial outcomes.

Keywords: Mentoring, Entrepreneurship, Career development functions, objective entrepreneurial outcomes, Small and Medium Enterprises.

1.0 Introduction

Entrepreneurial apprentices have benefits of achieving wisdom and skills of the mentors when mentorship is skillfully passed. This raises the level of entrepreneurial outcomes. According to (Clutterbuck, 1991), modern day mentoring originated from apprenticeships where masters, passed their wisdom and skill onto more junior persons or apprentices. This meant that mentorship anchored on wisdom and skills of the mentor improved apprentice competence in boosting outcomes. A mentor–protégé relationship according to Hisrich and Peters (2002) provides professional advice, as well as provision of an additional source of moral support. The mentor's primary objective is to provide 'just-in-time' support and to add value by imparting the benefits of their education, experience, skills and attitudes (Sullivan, 2000). Mentoring is of importance to both the mentor and mentee. To the mentors, it often contributes to their advancement in personal growth, pride and experience and to the mentees it is important in the skills that they acquire and the confidence that they gain (Klasen & Clutterbuck, 2002). It would then be expected that the benefits received from entrepreneurial mentoring by the mentees would accrue from their objective and subjective entrepreneurial outcomes. In other words, the mentees would measure their entrepreneurial achievements from the entrepreneurial outcomes experienced within their SMEs. Promotion rate and compensation are some of the factors that have been used in past research to measure mentoring outcomes (Ragins & Cotton, 1999). In this research, these are some of the factors that were be used to measure entrepreneurial outcomes as a result of mentoring.

1.1 Statement of the Problem

Entrepreneurship has been referred to as an answer to unemployment and poverty reduction in Kenya. A baseline survey in Kenya found that small- to medium-sized enterprises employed about 50% of youths and women and they accounted for approximately 79.6% of the total labor force (R.O.K, 2013). Despite the mechanisms and government support to provide funds for entrepreneurial groups of people such as the youth and women, there has been a high level of venture failure. (Kagone and Namusonge, 2014) indicated that despite the provision of finances by the government, women entrepreneurs in urban areas do not seem to grow and expand their businesses. Kenya's Sessional Paper No. 2, R.O.K (2005) and Ministry of Economic planning report on SMEs R.O.K (2007) show that three out of five SMEs fail within their first three years of operation. When SMEs fail then it would imply that they exhibit no or insignificant entrepreneurial outcomes. An important area of concern in the field of entrepreneurial outcomes is that of finding an appropriate and effective entrepreneurial approach that could produce positive entrepreneurial outcome result in a country such as Kenya

1.2 Objective of the Study

The objective of the study was to establish the influence of careers mentoring functions on objective entrepreneurial outcomes within Small and Medium enterprises in Eldoret, Kenya.

2.0 Theoretical review

According to (Saunders, Lewis and Thornhill, 2000) the literature review forms the framework for research, as it helps to develop a good understanding and provide insight into relevant previous research and emerging trends. The theories supporting this study are discussed below.

2.1 Kram's Mentor Role Theory

Kram's (1985) mentor role theory provided the basis of this research. In this theory, Kram categorized mentoring as providing dual function roles; career development and psychosocial support. The choice of Kram's theory for this study was because of its components of mentoring functions which can be correlated with the objective or subjective entrepreneurial outcomes.

2.1.1 Marginal Mentoring

Ragins, Cotton and Miller (2000: 1178) refer to marginal mentors as "good enough mentors" and suggest that although truly dysfunctional mentoring relations are likely to terminate (Ragins & Scandura, 1997), relationships that are marginally effective may endure. Ragins, Cotton, and Miller (2000) proposed the potential for the existence of marginal mentoring relationships which do not involve serious dysfunction, but reduce relationship effectiveness. The researchers found that the attitudes of protégés who reported marginal satisfaction or dissatisfaction with their mentor were equivalent to or even sometimes worse than those of individuals without mentors. Marginally effective relationships involve problems that minimize the potential of the relationship to meet important needs, but there is no malice involved and the relationship is likely to remain intact (Eby & McManus, 2004).

2.2 Empirical Review

According to Livingstone (2000: 3), innovation is not just the idea –innovation is only achieved when the idea has been transferred into an outcome which has value. In this study, entrepreneurial outcomes were considered to have tangible values such as profits representing objective outcomes. In adopting Schumpeter's theory of innovation, Young (2000) description of outcomes from employees connected with organisation benefits were in this study substituted with entrepreneurial outcomes connected with the entrepreneur and/or SME benefit. According to Young (2000), employees who are committed to the organisation, exhibit higher productivity, performance and lower turnover rates. Despite the fact that the literature on careers has not found common ground to operationalize career success (e.g., Abele-Brehm & Stief, 2004; Dette, *et al.,* 2004) objective career success "is mostly concerned with observable, measurable and verifiable attainments such as pay, promotion and occupational status" (Dries, Pepermans, & Carlier, 2008, p. 254). To use these factors in terms of entrepreneurial outcomes for this research, career mentoring was taken to relate to ability to; identify business opportunities (verifiable-opportunism), harness resources and use them (observable-risk taking), Initiate Entrepreneurial activities (verifiable/observable-initiating), sustain business activities (measurable-innovation, growth seeking, value adding, enterprise development, Allen *et al.,* (2004). The factors in brackets have been added by this researcher, indicating their being tangible and their connection to entrepreneurial behaviours. All these entrepreneurial outcomes were then condensed into two outcomes; Productivity and Performance which were then classified as Compensation and Promotions. Allen, Eby, Poteet, Lentz, and Lima (2004) in their Meta-Analysis, examined

Compensation and Promotions as indicators of objective career success. Compensation was most commonly measured by asking participants to indicate total annual profit including all forms of compensation.

3.0 Research Design

A cross-sectional descriptive survey research design was adopted for this study. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection (Glass & Hopkins, 1984). Descriptive statistics enable a researcher to reduce, summarize and describe quantitative data obtained from empirical evidence (Polit & Beck 2004:716). A descriptive correlational design was used to examine the relationships between variables (Burns & Grove, 2005). Saunders *et al.* (2009) indicate that; Surveys allow the collection of a large amount of data from a sizeable population in a highly economical way. Saunders *et al.* (2009), indicate that the survey strategy allows the collection of quantitative data which can be analyzed quantitatively using descriptive and inferential statistics

3.1 Target Population

The focus of the study was the owners-managers operating SMEs who were taken as entrepreneurs within Eldoret, Uasin Gishu County. The data obtained from the county office of the ministry of Social Services indicated that the total numbers of enterprises in Eldoret Municipal council were approximately 7765. From this total number of enterprises, in the second stage, SMEs chosen from the Central Business District (CBD) were 3935; the purpose of this was to have homogeneity of related business sectors in similar location. This left a total of 3927 enterprises to be stratified which have been in business for over three years with focus on owners and managers of the SMEs.

3.1.1 Sampling Frame and sampling technique

The sample size for this research was obtained using the Yamane's formula for finite population as cited by Reid & Boore (1991) as follows

$$n = \frac{N}{1+N(e)^2}$$
$$= 3927/ (1 + 3927(0.05)^2)$$
$$= 363$$

After study population allocation, simple random sampling was used to get samples of SMEs from the different strata. The actual enterprises for data collection were arrived at by using stratified random sampling from each stratum. The stratification was based on retail trade, wholesale trade, service and the manufacturing industries. The sample was drawn from the target population by use of simple stratified sampling methods. Cooper and Schindler (2008) stratified sampling is a technique used where the population is not homogeneous. The SMEs were first of all stratified according to the nature of businesses then samples selected from each stratum using simple random sampling.

3.2 Data Collection methods

Open-ended and closed-ended questionnaires, interview schedule and content analysis were the instruments of data collection. The questionnaire was used to establish entrepreneurs and mentors attitude among other parameters. Attitude was measured mainly using Likert scale (Manstead & Semin, 2001). Some questions from the Mentor Role Instrument (MRI) (Ragins & McFarlin, 1990) that were fitting for this research were extracted

and used to measure mentor functions. For collecting primary data were the self administered questionnaires designed for the owners or managers of the SMEs. Semi structured to open ended questions was also used. Cooper and Schindler (2006) advocates for the use questionnaires in descriptive studies because it is less costly and participants can easily be reached.

3.3 Data processing and Analysis

These analyses included the descriptive statistics of the sample, the correlation between variables and the testing of the hypothesis. Polit and Hungler (1999:699) refer to data analysis as the systematic organization and synthesis of research data, and the testing of a research hypothesis using those data. Data for this study was analyzed both descriptively and inferentially with the help of SPSS v 22.0 computer package. Content analysis of the questionnaires was done to differentiate between the entrepreneurs who were mentored and those who were not. Hierarchical regression analyses were conducted for the dependent variables (Objective entrepreneurial outcomes) considering all the business sectors; service, manufacturing, retail and wholesale. Hierarchical regression is an appropriate tool for analysis when variance on a criterion variable (dependent variable) is being explained by predictor variables (independent variable) that are correlated with each other (Pedhazur, 1997). Lewis (2007) defined Hierarchical regression as a sequential process involving the entry of predictor variables into the analysis in steps whose order determinations are made by the researcher based on theory and past research. As Kerlinger (1986) noted, while there is no "correct" method for choosing order of variable entry, there is also "no substitute for depth of knowledge of the research problem . . . the research problem and the theory behind the problem should determine the order of entry of variables in multiple regression analysis" (p. 545). Hierarchical regression is a method used to analyze the effect of a predictor variable after controlling for other variables. This "control" is achieved by calculating the change in the adjusted R^2 at each step of the analysis, thus accounting for the increment in variance after each variable (or group of variables) is entered into the regression model (Pedhazur, 1997). Hierarchical regression analyses were therefore conducted to test the effect of career mentoring functions on objective entrepreneurial outcomes.

The following multiple regression model was used;

$Y_i = X_i \beta + \mu_i + \varepsilon_i$

Y_i = dependent variable (Objective entrepreneurial outcomes)

X_i = vector of regressors or independent variables (Control variables, Career mentoring functions)

μ_i = unobserved firm specific effect

β = vector of unobserved parameters

ε = error term

i = specific firm

4.0 Research Findings And Discussion

Response rate

In this research, a total of 300 out of the targeted 364 respondents responded to and returned the questionnaires. This gave a response rate of 82.4% consisting of 164(54.7%) males and 136(45.3%) females

4.1 Reliability test

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Borg, Gall & Gall, 2003). The results showed a Cronbach's value of 0.816 which is above the 0.7 limit hence the results are acceptable.

4.2 Regression analysis for career mentoring and Objective entrepreneurial outcomes

The final research model was as follows;

$$OEO = \alpha + \beta_1 (EB) + \beta_2 (BI) + \beta_3 (MS) + \beta_4 (GEN) + \beta_5 (AoER) + \beta_6 (CMF) + \varepsilon$$

Where: β_1, β_2,.....β_6 is partial slope coefficients and ε, is the error term; OEO=Objective entrepreneurial outcomes, (EB)= education, background, (BI) is Business Industry, (MS)= marital status, (GEN)=gender, (AoER)= age of entrepreneur and CMF= Career mentoring factors, (Challenge, Protection, Sponsorship and Coaching)

Each model had measures that showed how well that particular model explains the dependent variable. These are presented in the first half of the Model Summary table 1

Table 1: Model Summary

Model Summary[d]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
					Change Statistics				
1	.111[a]	.012	-.032	.21785	.012	.281	2	45	.756
2	.499[b]	.249	.159	.19666	.236	4.407	3	42	.009
3	.588[c]	.346	.191	.19298	.097	1.404	4	38	.251

a. Predictors: (Constant), Education Background, Business industry

b. Predictors: (Constant), Education Background, Business industry, Marital Status, Gender, Age

c. Predictors: (Constant), Education Background, Business industry, Marital Status, Gender, Age, Challenge, Protection, Sponsorship, Coaching

d. Dependent Variable: Objective Entrepreneurial Outcome (Proportion of entrepreneurial growth)

The R^2 represents the variation in the dependent variable explained by the independent variables. It can be seen from these results that each model explains a greater amount of the variation in the dependent variable i.e. the Objective entrepreneurial outcomes, as more variables are added (i.e., R^2 = .012, .249 and .346, respectively). Essentially, the models get better at predicting the dependent variable. However, the addition of career mentoring factors to the prediction of objective entrepreneurial outcome (Proportion of growth), (Model 3), did not lead to a statistically significant increase in R^2 of .097, $F (4, 38) = 1.404$, $p > .05$.

The hypothesis that, Career mentoring functions does not influence objective entrepreneurial outcomes, therefore in the study was accepted.

4.3 Hierarchical Regression analysis

Table2 shows the hierarchical multiple regression analysis between objective entrepreneurial outcomes and chosen covariates followed by career mentoring functions.

Table 2:

Hierarchical multiple regression predicting objective entrepreneurial outcome from, the Independent variables.

Variable	Objective Entrepreneurial outcomes					
	Model 1		Model 2		Model 3	
	B	β	B	β	B	β
Constant	.705**		.807**		1.008	
Business industry	-.022*	-.084	-.010**	-.036	-.031	-.117
Education Background	.036**	.084	-.028**	-.066	-.066	-.155*
Entrepreneurs Gender			.164**	.378	.146	.337
Marital status			.014**	.043	.042	.127
Entrepreneurs age			-.007**	-.350	-.007	-.342
Sponsorship					3.152	.470**
Protection					-1.446	-.236**
Challenge					1.250	.198**
Coaching					-3.156	-.511**
R^2	0.012		0.249		0.346	
F	0.281**		2.782**		2.229**	
ΔR^2	0.012		0.236		0.097	
ΔF	0.281**		4.407**		1.404**	

Note: N=48, * P< .05, ** P< .001

This study therefore differed with the empirical evidence which suggested that objective career success (e.g., Aryee et al., 1996; Boudreau, Boswell, & Judge, 2001; Melamed, 1996a) are related to human capital, such as education and organizational tenure, and demographic characteristics, such as gender and marital status. The research also disagreed with empirical evidence that suggested that career success (e.g., Judge et al., 1995; Melamed, 1995, 1996a) and the development of mentoring relationships (Aryee et al., 1996; Aryee et al., 1999) are also affected by structural factors that include organizational features and environmental characteristics, such as industry type. Career mentoring functions do not influence objective entrepreneurial outcomes, therefore in the study was accepted.

5.0 Conclusions

From the results of this study, entrepreneurial mentoring, as a function that contributes to entrepreneurial outcomes within SMEs in Eldoret, Uasin Gishu County in Kenya, has not been given ample importance. As a key resource, the entrepreneurial mentoring considering career mentoring functions are important for objective entrepreneurial and outcomes as has been seen in other studies especially in formal sectors. The motivational perspective that will encourage entrepreneurs to invest much of their activities in seeking the help of mentors needs to be strengthened.

5.1 Recommendations

Based on the findings the following recommendations are made: Entrepreneurial mentoring should be introduced formally in the informal sector in all the counties in the country Kenya.

This is to give direction and training to most entrepreneurs at the starting, growing and stabilizing stages as a tool for improving enterprise performance. The purpose would be to reduce the stagnation and stoppage of enterprises before the age of 3 years. For mentorship to be effective there needs to be awareness of the need and availability of entrepreneurial mentors. There should be a forum in counties that would help with the identification of mentors in all business sectors and especially as found in this research, in the wholesale and manufacturing/production business sectors to improve performance.

5.2 Areas for further research

Further research should consider a sampling method that would employ a larger sample of at least 200 mentored entrepreneurs which is recommended as a sound basis for estimation (Hair et al., 2006). This study managed a sample of only 48 mentored entrepreneurs. Future research could take a longitudinal approach with enterprises from start-up to stabilization stage, using deduction and analysis to establish relevant causality of entrepreneurial outcomes.

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