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## Influence of the Internal Locus of Control on the Growth of Micro and Small Enterprises in Bomet County, Kenya

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### **Abstract:**

*The importance of micro and small enterprises for economic growth and poverty alleviation has been recognized by Kenya Government, like many other countries. As a result of this acknowledgement, the Government of Kenya has implemented various policies and programs to support the growth of small and micro enterprises. Only a few small and medium enterprises have managed to develop and expand despite the existence of different programs. In their first three years of service, the majority deteriorated, stagnated or even close down. The high mortality rate and stunted growth trajectory of MSMEs in Kenya was blamed on shortage of operating funds, increased operating expenses, declining income, losses incurred from the businesses and other personal issues. Individuals play a great role in these firms. Several studies worldwide have acknowledged the importance of entrepreneurs for the growth of MSEs. Most of the MSEs depend on the entrepreneur himself/herself for their survival and development. The entrepreneur makes the important decisions concerning products, markets, motivation of employees, expansion plans and other strategic decisions concerning the firm. There is an ongoing argument if internal locus of control of business owner or manager can be related to the growth and survival of the business. The internal locus of control might be affecting the growth of enterprises as internal locus of control of an entrepreneur differ from the characteristics of a non-entrepreneur. Some researchers have tried to define success in terms of turnover, sustainability and growth. There are researchers who have observed that the entrepreneurial characteristics are indicators of success. The overall research problem to be addressed in this study is that there are other factors influencing high mortality rate and stunted growth of MSMEs in Kenya and especially Bomet County apart from the overused hindrance of finance and markets. This study will therefore investigate the influence of internal locus of control on the growth of micro and small enterprises in Bomet County. The target population was micro and small enterprises in Bomet County which were 14,574 in number in 2016. The unit of observations were the managers and owners of these enterprises. The unit of analysis are the micro and small enterprises in Bomet County and their growth over the last five years. The study used stratified sampling technique to pick the respondents from the manufacturing, trade and services strata of micro and small enterprises. The sample size was 384 micro and small enterprises. Data was collected using a questionnaire. Data collection was done by administering the instrument to the owners or managers of the enterprises. The data was processed using the computer software. Multiple regressions model was used to establish the relationship between the entrepreneurs' internal locus of control and growth of enterprises. The key findings were that internal locus of control influences the growth of enterprises in Bomet County, Kenya. The major recommendation of the study is that there is need for the key players in the MSMEs to build the characteristics of the owners and managers through training. It is also the recommendation of this study that it is not everybody who can become an entrepreneur. Methodology and resources should be avail to identify the potential entrepreneurs. It is only after identification that the required resources can be availed.*

**Keywords:** Internal locus of control, enterprise growth, micro and small enterprises

### **1. Introduction**

It has been generally accepted internationally that micro and small enterprises have a strong association with economic development (Urban & Naidoo, 2012; Batsakis, 2014). As a result of this recognition, most countries concentrate on stimulating economic development through the growth of small and micro enterprises (Robson, Haugh, & Obeng, 2016). Empirical evidence suggests that micro and small businesses offer substantial economic benefits in terms of job growth and revenue generation (Hallberg, 2013; Acs, Desai & Hessels, 2018; Kang & Heshmati, 2018). For example, 99.8% of

business enterprises in Europe are micro and small businesses, which employ two-thirds of the total workforce (World Bank, 2017).

The importance of micro and small enterprises for economic growth and poverty alleviation has been recognized by Kenya, like many other countries. As a result of this acknowledgement, the Government of Kenya has implemented various policies and programs to support the growth of small and micro enterprises (KNBS 2016). The MSME segment has been described and highlighted as a major economic engine in Kenya for achieving the desired objectives of the 2030 vision (KNBS, 2016). In order to achieve this aim, the MSME sector in the country and Bomet county in particular needs to develop.

Only a few small and medium enterprises have managed to develop and expand despite the existence of different programs. In their first three years of service, the majority deteriorated, stagnated or even crashed (KNBS, 2016). There were over 7.4 million MSMEs in service in Kenya in 2016. It was observed that there was a high mortality rate of MSMEs during the same time, with around 2.2 million enterprises closed over five years (KNBS 2016). Kenya had an average of 0.02 MSEs per 1000 inhabitants, compared to a World Bank estimate of 0.09 MSEs per 1000 inhabitants (World Bank, 2006). Despite the efforts made by the governments of the National and Bomet County in addressing the defined challenges facing the MSEs, the slow speed and often stagnation of MSE development has continued. The high mortality rate and stunted growth trajectory of MSMEs in Kenya was blamed on shortage of operating funds, increased operating expenses, declining income, losses incurred from the businesses and other personal issues (KNBS 2016).

One of the obstacles to economic development in Bomet County was the lack of leadership and entrepreneurship skills among young people. The county government has launched initiatives for MSEs to encourage and develop capability which are carried out as per the county intergraded plans (CIP) (Bomet, 2013). The MSEs population in Bomet County is stagnating amid these interventions (Bomet County, 2017). In 2011, 2012, 2013, 2014, and 2015 the population for the MSE reached 10717, 10932, 11151, 11652 and 14574 (Bomet, 2013). The factors contributing to the increase mortality rate of MSMEs in the county should therefore be acknowledged. It is against this background that the current study seeks to investigate the influence of entrepreneurial characteristics especially the locus of control on the growth of micro and small enterprises in Bomet County.

Individuals play a great role in these firms. Several studies worldwide have acknowledged the importance of entrepreneurs for the growth of MSEs. Most of the MSEs depend on the entrepreneur himself/herself for their survival and development (Rauch and Frese (2000). The entrepreneur makes the important decisions concerning products, markets, motivation of employees, expansion plans and other strategic decisions concerning the firm (Rauch and Frese (2000). There is therefore the possibility that a large proportion of the difference in growth among MSEs could be explained by the individual entrepreneur's orientation (Shane, 1996; Batsakis, 2014).

The entrepreneur combines both tangible and intangible resources into a business organization (Gómez, 2006). There is an ongoing argument if characteristics of business owner manager and characteristics found in the entrepreneur can be related to the growth and survival of the business. The research problem to be addressed in this study is that there are other factors influencing high mortality rate and stunted growth of MSMEs in Kenya and especially Bomet County. It can be argued that the entrepreneurial determinants have not been exhaustively studied. From literature for example, the entrepreneurial characteristics have not been studied extensively as expected in Kenya.

## 2. Objectives/Purpose of the Study

The overall research problem to be addressed in this study is that there are other factors influencing high mortality rate and stunted growth of MSMEs in Kenya and especially Bomet County. It can be argued that the entrepreneurial determinants have not been exhaustively studied. From literature for example, the entrepreneurial characteristics have not been studied extensively as expected in Kenya. This study will explore the influence of the internal locus of control on the growth of micro and small enterprises in Bomet County Kenya

The findings of this study will add empirical knowledge on entrepreneurial characteristics and enable the policy formulators at national and county levels to understand what motivate and challenge the entrepreneurs. Through this study, the entrepreneurs will understand themselves in terms of their inner motivations to start and run their businesses. Academics and potential investors will benefit from this study as the motivations to start the enterprises, risk taking and the benefits acquired from successful enterprises will be made clear. The goal of the study is to have a thriving micro and small enterprises in Bomet County and the country at large.

## 3. Methodology

This study employed the descriptive research method. Gay (1981) defines descriptive research as a process of collecting data so as to test hypothesis or to answer questions concerning the current status of the subjects in the study. Descriptive study describes the phenomena as it is (Saunders, Lewis, Thornhill (2012). Gall, Gall and Borg (2007) defined descriptive research as a type of quantitative research that involves making careful descriptions of phenomena (Gall, Gall & Borg, 2007).

The descriptive research design was considered appropriate for this study because the objective of the study is to investigate the influence of entrepreneurial characteristics for example the need for achievement on the growth of micro and small enterprises. Entrepreneurial characteristics will be described as it is at the time of data capture and will be the current status. The respondents' characteristics will be documented and studied in the field without manipulation.

Kothari (2004) explains that sampling as the procedure of selecting a representative of the total population as much as possible to produce miniature (small) cross section. Stratified random sampling techniques was used to draw

sample from each strata consisting of micro and small enterprises in Bomet County. Simple random sampling was performed within the each stratum until the sample size is arrived at as indicated on the sampling frame.

The study derived micro and small enterprises strata from 2016 Bomet County licensing office records. Stratified sampling was used to pick samples from each of the stratum. Managers or owners of the establishment were the respondents for this study.

Stratum	Stratum Population (Ni)	Sample Size (ni)
Manufacturing	729	19
Trade	10,202	269
Services	3,643	96
Total	14,574	384

Table 1: Sample Size: Micro And Small Enterprises In Bomet County  
Source: Bomet County Licensing Office (2016)

According to Mugenda (2003) research instruments are used to collect the necessary information. In social science the most commonly used instruments are questionnaires, interview schedules, observation forms and standardized tests. In this study, primary data was obtained from owners and managers of micro and small enterprises through structured questionnaire. Secondary data was obtained from online, print-outs, journals, websites, books, articles and through communication with county officials in their offices. According to Mugenda (2003), questionnaires are used to obtain important information about the population.

A pilot study was undertaken to pre-test data collection instrument for validity and reliability. According (Orodho, 2003) a pilot study is necessary for testing the reliability of data collection instruments. Pilot testing was done on the research tool so as to take note of any ambiguity so as to refine the research instruments. The study administered a set of 38 questionnaires for pilot study so as to appraise the questionnaire appropriateness and to be able to estimate the time required for the study. Reliability analysis was done using Cronbach's Alpha and according to Gliem and Gliem (2003) acceptable reliability is at threshold value of 0.7, thus forming a benchmark for the study. The findings in were that the need for achievement as an alpha of 0.911, which was above the threshold of 0.7. Validity is the accuracy and meaningfulness of inferences, which are based on research results. It is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study (Mugenda, 2003). The researcher went through the questionnaire to assess whether each measurement question in the questionnaire was essential, useful but not essential or not necessary, as recommended by (Saunders, Lewis, Thornhill (2012).

#### 4. Result/Findings

The study targeted 384 micro and small enterprises in the five sub-counties of Bomet County. The respondents consisted of managers or owners of these enterprises who were assumed to possess entrepreneurial characteristics which influence the direction of the enterprise. The respondents were stratified along the enterprises' type of activities. That is manufacturing, trade and services. All randomly identified respondents were issued with questionnaires. The researcher was able to receive back 325 questionnaires having been dully filled. This translated to a return rate of 84.6% as presented in Table 2. According to Mugenda and Mugenda (2008), a response rate of 50% is adequate; a rate of 60% is good and a response rate of 70% and over is excellent. Hence the response rate in this study was excellent.

##### 4.1. Univariate Analysis

Respondents were requested to indicate the extent to which they agreed various statements regarding internal locus of control orientation using the scale of 1= not at all, 2 = small extent, 3 = moderate extent, 4 = large extent, 5 = very large extent. The findings were as presented in Table 2.

	N	Min.	Max.	Mean	Std. Deviation
Saving and careful investing is a key factor in becoming successful.	325	1.00	5.00	4.5262	.77981
When I get what I want, it is usually because I worked hard for it.	325	1.00	5.00	4.3200	.90390
In the long run, people who take care of their finances stay wealthy.	325	1.00	5.00	4.2831	.98438
Even if I fail many times, I will keep on trying until I succeed on this business.	325	1.00	5.00	4.2523	.84494
My life is determined by my own actions.	325	1.00	5.00	4.1538	.97864
I am always positive about problems arising in my life, and solve them on my own.	325	1.00	5.00	4.0985	.99822
Whether or not I become successful depends mostly on my own ability.	325	1.00	5.00	4.0985	1.02567
Relief from failure financially requires work more than anything else.	325	1.00	5.00	4.0800	1.04220

	N	Min.	Max.	Mean	Std. Deviation
When I make plans I am almost certain to make them work.	325	1.00	5.00	4.0123	.96537
People's failures results from happenings of their own making.	325	1.00	5.00	4.0092	1.11246
I always complete everything I initiate.	325	1.00	5.00	3.9785	.98890
When it comes to being successful, there is no such thing as 'bad luck'.	325	1.00	5.00	3.8215	1.18849
I can pretty much determine what will happen to me financially.	325	1.00	5.00	3.8185	1.10873
If I become poor, it is usually my own fault	325	1.00	5.00	3.7754	1.29886
Becoming rich has nothing to do with luck.	325	1.00	5.00	3.6738	1.31636
Whether or not I get to be well-off depends on whether I am lucky enough to be in the right place at the right time.	325	1.00	5.00	3.4892	1.50638
Becoming rich has little or nothing to do with chance.	325	1.00	5.00	3.4246	1.40700
Whether or not people become successful is often a matter of chance.	325	1.00	5.00	3.3938	1.49029
There is little one can do to prevent failure.	325	1.00	5.00	3.3723	1.51734
It is chiefly a matter of fate whether I become rich or poor.	325	1.00	5.00	3.3138	1.65364
When I get what I want, it is usually because I am lucky.	325	1.00	5.00	3.2246	1.70203
I feel that my finances are mostly determined by other people.	325	1.00	5.00	3.2092	1.48633
It's not always wise for me to save because many things turn out to be a matter of good fortune or bad fortune.	325	1.00	5.00	3.1700	1.6000
People who become successful are just plain lucky.	325	1.00	5.00	3.0738	1.69260
To a great extent my life is controlled by accidental happenings.	325	1.00	5.00	2.9477	1.65189
Aggregate Score	325			3.7408	1.2498

Table 2: Internal Locus of Control Orientation

Specifically, the respondents agreed to a very large extent that saving and careful investing is a key factor in becoming successful ( $M=4.5262$ ,  $SD=0.7798$ ). Respondents also agreed to a large extent that when they get what they want, it is usually because they worked hard for it ( $M=4.3200$ ,  $SD=0.9039$ ); in the long run, people who take care of their finances stay wealthy ( $M=4.2831$ ,  $SD=0.9843$ ); even if they fail many times, they will keep on trying until they succeed on their business ( $M=4.2523$ ,  $SD=0.8449$ ); their life is determined by their own actions ( $M=4.1538$ ,  $SD=0.9786$ ); they are always positive about problems arising in their life, and solve them on their own ( $M=4.0985$ ,  $SD=0.9982$ ); whether or not they become successful depends mostly on their own ability ( $M=4.0985$ ,  $SD=1.0256$ ); relief from failure financially requires work more than anything else ( $M=4.0800$ ,  $SD=1.0422$ ); when they make plans they are almost certain to make them work ( $M=4.0123$ ,  $SD=0.9653$ ); people's failures results from happenings of their own making ( $M=4.0092$ ,  $SD=1.1124$ ); they always complete everything they initiate ( $M=3.8185$ ,  $SD=0.9889$ ). Also, when it comes to being successful, there is no such thing as 'bad luck' ( $M=3.8215$ ,  $SD=1.1884$ ); they can pretty much determine what will happen to them financially ( $M=3.8185$ ,  $SD=1.1087$ ); if they become poor, it is usually their own fault ( $M=3.7754$ ,  $SD=1.2988$ ); and that becoming rich has nothing to do with luck ( $M=3.6738$ ,  $SD=1.3163$ ).

The study findings further establishes that the respondents were in agreement to a moderate extent that whether or not they get to be well-off depends on whether they are lucky enough to be in the right place at the right time ( $M=3.4892$ ,  $SD=1.5063$ ); there is little one can do to prevent failure ( $M=3.3723$ ,  $SD=1.5173$ ); becoming rich has little or nothing to do with chance ( $M=3.4246$ ,  $SD=1.4070$ ); whether or not people become successful is often a matter of chance ( $M=3.3938$ ,  $SD=1.4902$ ); it is chiefly a matter of fate whether they become rich or poor ( $M=3.3138$ ,  $SD=1.6536$ ); when they get what they want, it is usually because they are lucky ( $M=3.2246$ ,  $SD=1.7020$ ); they feel that their finances are mostly determined by other people ( $M=3.2092$ ,  $SD=1.4863$ ); it's not always wise for them to save because many things turn out to be a matter of good fortune or bad fortune ( $M=3.1700$ ,  $SD=1.6000$ ); people who become successful are just plain lucky ( $M=3.0738$ ,  $SD=1.6726$ ); and that to a great extent their life is controlled by accidental happenings ( $M=2.9477$ ,  $SD=1.6518$ ).

From the findings, all the standard deviation values were less than 2 and the aggregate standard deviation value was 1.2498 an indication that on average respondents had similar opinions. Also, the findings show that the aggregate

mean value was 3.7408, an indication that on average the respondents agreed to a large extent with various statements that the internal locus of control orientation is a characteristic of an entrepreneur.

#### 4.2. Bivariate analysis-Locus of Control and Growth of Enterprises

Respondents were asked to indicate their opinion on whether their locus of control can influence the growth of their enterprise based on the statement that locus of control means that they either control their destiny or they are controlled by it. The results obtained were as presented in Table 3.

	Frequency	Percent
Yes	310	95.4
No	15	4.6
Total	325	100.0

Table 3: Whether Locus of Control Influence Growth of Enterprise

From the findings, majority 310(95.4%) of the respondents agreed that their locus of control can influence the growth of their enterprise while 15(4.6%) disagreed that it has no influence on the growth of their enterprises. Based on these findings it is evident that locus of control influences growth of enterprises. Therefore, the growth of enterprises will depend on the level of locus of control among managers and owners of the enterprises.

The study also sought to establish the extent to which the locus of control affected growth of enterprises. The results obtained were as presented in Table 4.21.

Extent	Frequency	Percent
Very great extent	82	25.2
Great extent	161	49.5
Moderate extent	75	23.1
Not at all	7	2.2
Total	325	100.0

Table 4: Extent Locus of Control Influence Growth of Enterprises

The results show that majority 161(49.5%) of the respondents indicated that the influence of internal locus of control on growth of enterprises was to a great extent, 82(25.2%) indicated to a very great extent, 75(23.1%) indicated to a moderate extent, and 7(2.2%) indicated it had no influence at all. These findings suggest that the influence of locus of control on growth of enterprises is to a great extent as indicated by most (49.5%) of the respondents. Therefore, the growth of micro and small enterprises greatly depends on the internal locus of control among its owners and managers.

A scatter plot was done to establish the relationship between the locus of control and the growth of the enterprise. To understand the relationship between the two variable, a scatter plot between the two variables, internal locus of control and growth of enterprises (dependent variable), was fitted. The scatter plot presented the nature of the relationship between the two variables. Figure 4.7 presents the findings.

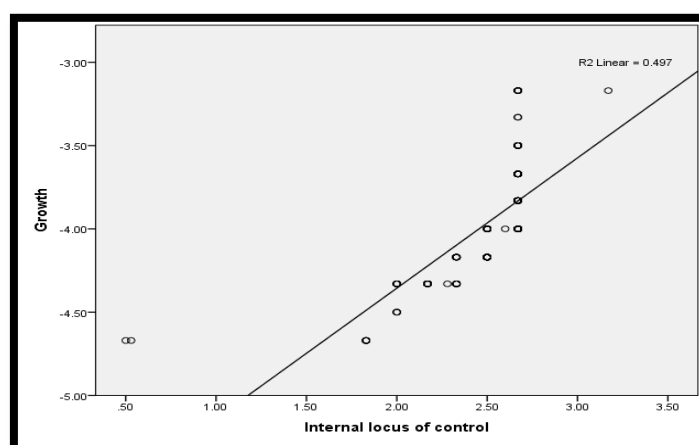


Figure 1: Scatter Plot for Internal Locus of Control and Growth of Enterprises

The findings show that there was a linear relationship between the need for achievement and enterprise growth and the value of  $R^2$  was 0.497. The graph also shows that the relationship between the two variables is direct.

#### 4.3. Statistical Modeling

The objective of the study was to explore the influence of the internal locus of control on the growth of micro and small enterprises in Bomet County Kenya. To further understand the relationship between the variable, the study regressed internal locus of control on the growth of enterprises and the results obtained were discussed hereunder.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.705 <sup>a</sup>	.497	.495	.32890

Table 5: Model Summary

a. Predictors: (Constant), Internal locus of control

Model summary was used to determine the amount of variation in growth of enterprises that can be attributed to changes in internal locus of control. From the findings, the value of  $R^2$  was 0.497, an indication that 49.7% variation in growth of enterprises can be explained by internal locus of control. The remaining 50.3% suggest that there are other factors that can be used to explain variation in growth of micro and small enterprises that were not included in this model. The findings further revealed that internal locus of control and growths of enterprises are strongly and positively related as indicated by correlation coefficient value (R) of 0.705.

Model	Sum of Squares	df	Mean Square	F	Sig.	
1						
	Regression	34.474	1	34.474	318.675	.000 <sup>b</sup>
	Residual	34.942	323	.108		
	Total	69.415	324			

Table 6: ANOVA

a. Dependent Variable: Growth

b. Predictors: (Constant), Internal locus of control

The researcher used analysis of variance to determine whether the model developed was significant. The significance of the model was tested at 5% level of significance. From the findings, the p-value obtained was 0.000 was less than the selected level of significance of (0.05) an indication that the model developed was significant. The study further established that the f-calculated value (318.675) was greater than the f-critical value (3.870). This was an indication that internal locus of control influenced growth of enterprises. Therefore, the internal locus of control was significant in predicting growth of micro and small enterprises.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.028	.233		11.121	.004
	Internal locus of control	1.058	.059	.705	17.851	.000

Table 7: Coefficients

a. Dependent Variable: Growth

The model structure was  $Y = \beta_1 + \beta_2 X_2 + \epsilon$ . When the regression parameter  $\beta_1 = 1.028$ ,  $\beta_2 = 1.058$  were fitted into the model the result was the following regression equation;  
 $Y = 1.028 + 1.058 X_2 + \epsilon$ .

From the equation, holding internal locus of control to a constant zero, growth of enterprises will be at a constant value of 1.028. The findings further shows that internal locus of control has positive influence on growth of enterprises ( $\beta = 1.058$ ). The findings also revealed that the influence of internal locus of control on growth is significant as indicated by p-value (0.004) which is less than selected level of significance (0.05). Therefore, internal locus of control can be said to have a positive significant influence on growth of micro and small enterprises.

#### 4.4. Hypothesis Testing

- $H_0$ : The internal locus of control does not influence the growth of micro and small enterprises in Bomet County Kenya.

The null hypothesis that internal locus of control does not influence the growth of micro and small enterprises in Bomet County Kenya. This is because the p-value of the t-statistic is less than 0.05 making the coefficient of internal locus of control significant in the model. The study therefore concluded that internal locus of control influences the growth of micro and small enterprises in Bomet County Kenya.

## 5. Discussions

Locus of control involves the perception of having personal control and not being at the mercy of external circumstances or fate. It is inked with issues of responsibility and blame (Rogoff, Lee & Suh (2004). People with a high internal locus of control tend to be more persistent, to respond more to challenge, and to see themselves as a source of their success. Internal locus of control is associated with higher levels of work satisfaction and general health (Kirkcaldy, Shephard & Furnham (2002). Locus of control was demonstrated to account to a large portion of the variance in work satisfaction among small business owners (Owens, Kirwan, Lounsbury, Levy, Gibson (2013). Furthermore, Owens et al. (2013) found positive associations between locus of control and emotional resilience, risk-tolerance, as well as tolerance for financial insecurity.

Based on the statement that Locus of control can be stated that you either control your destiny or you are controlled by it. This study's findings is that the internal locus of control influences the growth of micro and small enterprises in Bomet County, Kenya. The relationship between the internal locus of control on the growth of micro and small enterprises in Bomet County, Kenya was established through the analysis of the data. This was arrived at through the scatter plot and regression analysis. It was also established by this this study that the internal locus of control is a characteristics of entrepreneurs.

This confirms Rum (2012) study where he observed that there is a positive and significant relationship between internal locus of control beliefs, innovation, and performance in SMEs in the province of South Sulawesi. Internal Locus of Control or success confidence has positive and significant effect on performance. This reflects that Internal Locus of Control of the owners of SMEs determines the performance of its business (Rum, 2012). Another study by García-Santillán, Arturo & Escalera-Chávez, Milka & Moreno-García, Elena & Santana, Josefina. (2016). found that the locus of control of the manager contributes to the success of the company. The above coincides with that reported by Whetten and Camereon (2005) and Boone and De Brabander (1996) in that there are two key attitudes that contribute to the success of the company. One of them is the locus of control. Success in business requires the support and involvement of management, while the locus of control of the person who runs the company allows him to establish conditions to encourage the company to be more competitive (Elena, Chavez, Carlos, Kramer, Arturo, Rangel, García & Santillan 2015).

A study in India of the students locus of control and entrepreneurship (Prakash, Jain & Chauhan, 2015) illustrates the importance of Locus of control (LOC) within the field of entrepreneurship is valuable in that it may lend to a better understanding of the continuation of firms in early years of the startup process when most nascent entrepreneurs face the biggest challenges. If an internal disposition toward entrepreneurial outcomes is characteristic of successful entrepreneurs, the usefulness of the locus construct becomes all the more apparent. Thus it may be concluded that changes in educational patters along with reinforcement of intrinsic locus of control and government's long term support will facilitate the young energetic generation to exploit beyond the jobs that are available. Learned skill-sets and infrastructural support will facilitate the young energetic generation to exploit beyond the jobs that are available. Learned skill-sets and infrastructural support will allow youngsters to explore the world of entrepreneurship (Prakash, Jain & Chauhan, 2015)

Another study of Kenyan students in China (Shimoli, Cai, Naqvi & Lang (2020) indicated the entrepreneur character traits distribution of the eight traits investigated on 518 Kenyan students in the People's Republic of China. Out of the eight traits, 5 have more students with the higher scores on the traits; Openness to experience, Conscientiousness, Locus of Control, Neuroticism, and Self efficacy. The other three traits had a lower score on the traits; Extraversion, Agreeableness, and Need for Achievement. There are significantly high levels of locus of control exhibited by E-entrepreneurs in Kenya. There are significantly high levels of locus of control exhibited by E-entrepreneurs in Kenya. There was also a significantly high levels of need for achievement exhibited by E-entrepreneurs in Kenya (Shimoli, Cai, Naqvi & Lang, 2020).

The study found that 72% variation in growth of enterprises can be explained by internal locus of control. The findings further revealed that internal locus of control and growths of enterprises are strongly and positively related. The study also established that the simple regression model was significant and therefore, internal locus of control was significant in predicting growth of micro and small enterprises. The study further showed that internal locus of control has positive significant influence on growth of enterprises.

The study further established that managers/owners of micro and small enterprises agreed to a very large extent that saving and careful investing is a key factor in becoming successful. Also, they agreed to a large extent that when they get what they want, it is usually because they worked hard for it; even if they fail many times, they will keep on trying until they succeed on their business; their life is determined by their own actions; whether or not they become successful depends mostly on their own ability. In addition, they are always positive about problems arising in their life, and solve them on their own; when they make plans they are almost certain to make them work; relief from failure financially requires work more than anything else; they always complete everything they initiate; people's failures results from happenings of their own making; and that in the long run, people who take care of their finances stay wealthy. The study also established that managers/owners of enterprises can pretty much determine what will happen to them financially; if they become poor, it is usually their own fault; when it comes to being successful, there is no such thing as 'bad luck'; and that becoming rich has nothing to do with luck.

The study findings further establishes that managers/owners of enterprises agreed to a moderate extent that whether or not they get to be well-off depends on whether they are lucky enough to be in the right place at the right time; there is little one can do to prevent failure; becoming rich has little or nothing to do with chance; whether or not people become successful is often a matter of chance; it is chiefly a matter of fate whether they become rich or poor; when they get what they want, it is usually because they are lucky; they feel that their finances are mostly determined by other people; it's not always wise for them to save because many things turn out to be a matter of good fortune or bad fortune; people who become successful are just plain lucky; and that to a great extent their life is controlled by accidental happenings.

The study also found that locus of control influences growth of enterprises. Therefore, the growth of enterprises will depend on the level of locus of control among managers and owners of the enterprises. Further, it was revealed that the influence of locus of control on growth of enterprises is to a great extent; therefore, the growth of micro and small enterprises greatly depends on the internal locus of control among its owners and managers.

## 6. Recommendations

The interaction between internal locus of control and entrepreneurial skill training had a positive influence on growth of micro and small enterprises. Also the study found that an increase in internal locus of control among owners/managers of enterprises will result to enhanced growth of their enterprises. The study therefore recommends training to be provided by the government and other related organization to enhance the level of internal locus of control among managers and owners of enterprises.

There is need for managers/owners of enterprises to improve their level of personal responsibility, self-efficacy and confidence in daily business operations. Enterprises should avoid selling counterfeit or illegal products, be reliable, and be focused, and self-disciplined, being steadfast and focus on the set goals, building self-confidence in people. The study also recommends thinking before acting and considering the importance of those actions in life; directing all their responsibilities to business in order to ensure that management of the business is steady and controlled. The study also recommends business owners and managers to monitor where they are according to their plans, have positive attitude towards hard work, develop positive thinking, concentrate on the future plan and implement it accurately and in the right time. There is also need to provide training on entrepreneurship to entrepreneurs.

## 7. Areas for Further Research

The purpose for this study was to explore and examine how locus of control influences the growth of micro and small enterprises in Bomet County, Kenya. The study was limited to micro and small enterprises, the study therefore recommends a study to be conducted among other enterprises-medium and large, to facilitate comparison and generalization of the research findings. The study was conducted in Bomet County; therefore, there is need for other studies to be conducted in other counties within the country to facilitate generalization of the research findings. The study recommends further research to be conducted on the influence of the locus of control on enterprise performance (efficiency) aspect of the enterprises as this study was concern with growth (effectiveness) only. There is also need to study if the locus of control influences the motivation of the entrepreneurs to start the business. It is the recommendations of this study that the effects of entrepreneurial skills training on the performance of the enterprises as moderated by locus of control be investigated as well.

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