THE INFLUENCE OF ENTREPRENEURIAL ORIENTATION ON SOCIAL TRANSFORMATION BY SOCIAL ENTERPRISES IN KIAMBU COUNTY, KENYA

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Abstract
Social enterprises have been key players in driving the mission of social transformation through solving complex social problems. Several scholarship has shown this role through the social entrepreneurship in general. However, few studies have endeavoured to investigate the influence of entrepreneurial orientation on social transformation by social enterprises. The present study sought to investigate the influence of entrepreneurial orientation on social transformation by social enterprises in Kiambu County, Kenya. The study used a descriptive survey design with 322 social enterprises from a target population of 1944. Data was collected using survey questionnaires and interview guide instruments. Simple random sampling technique was used to get the proportionate sample for each strata. Means, Standard Deviation, Correlations and regression analysis were used in reporting the findings. The findings shows that the influence of entrepreneurial orientation on social transformation by social enterprises is explained by R of 0.186; F(1, 326) = 11.729, p<.05. The findings have a positive significant correlation between entrepreneurial orientation (EO) and social transformation by social enterprises (r = 0.218, p = 0.000). The study concludes that entrepreneurial orientation, has a positive effect on social transformation by social enterprises.

Keywords: Entrepreneurial orientation, social enterprises, social transformation.

1. Introduction
Social enterprises have been identified as key drivers of social transformation. For instance, in the United States of America (USA), Defourny and Nyssens (2010) found that, social enterprises refered to commercial activities by non-profit organization. In the United Kingdom (UK), social enterprises were noted to have diverse forms and they contributed about £50 billion to the gross domestic product (Vickers, 2010). In Italy, the evolution of social enterprises is in four basic stages (Borzaga & Ianes, 2006): (a) the emergence of new social problems (in the 1970s); (b) the birth of the first SE experiences initiated by citizens (in the 1980s); (c) the legislative recognition
of SEs as players in the Italian welfare system (in the 1990s); and (d) the evolution of traditional forms of non-profit organizations into SEs (from the 2000s to the present day).

In Rwanda, Rwamigabo (2017) established that, social enterprises were categorized as non-governmental organisations; cooperatives; informal associations; social entrepreneurs; private/public partnerships; and companies carrying out social activities. In Kenya, the genesis of social enterprises goes back to 1980s economic restructuring influenced by the World Bank which reduced government expenditures on social services (Smith & Darko, 2015) and the structural adjustments programs in 1980s-1990s which resulted in declining donor aid hence reduced fiscal spending on social services (Griffin-EL, et al., 2014, p. 2).

According to Freiling and Lütke Schelhowe (2014), entrepreneurial orientation is one among the few areas in entrepreneurship research where a cumulative body of research is evident (Lyon et al., 2000; Covin et al., 2006; Rauch et al., 2009; Covin and Miller, 2014). The construct of EO captures the methods, practices, and decision-making styles that managers or owners use to act entrepreneurially (p.170). Freiling and Lütke Schelhowe (2014) observed that, entrepreneurial orientation has emerged as a major construct in entrepreneurship literature as regards the entrepreneurial processes (p.170). Entrepreneurial orientation reflects how an enterprise operates in value creation regardless of entrepreneurial activities (Lumpkin & Dess, 1996).

Covin (2010) describes entrepreneurial orientation as a driving force behind the organizational pursuit of entrepreneurial activities that has become a central focus of the entrepreneurship literature. Entrepreneurial orientation is a preoccupation of top managers in relation to innovativeness, proactiveness, risk taking, and competitive aggressiveness. Since the role played by social enterprises is critical, then, entrepreneurial orientation becomes a strategy for the managers with the responsibility of these businesses. It is noted that social enterprises in developing countries provide diverse transformations through job creation, medicare, education, among others and in these means contribute significantly to solving complex societal problems. Therefore, the impact of social enterprises in social transformation is very vital.

Sriprasert (2013) examined the effect of entrepreneurial orientation on the success of community enterprise and found that risk taking, proactiveness and innovativeness play a significant role in effecting job satisfaction of entrepreneurs the study presents conceptual gap. Sriprasert (2013) argues that, by developing entrepreneurial orientation, which is risk taking, proactiveness and autonomy, to community enterprise entrepreneurs would likely enhance the success of community enterprise. Hence, the need to assist community enterprise entrepreneurs by providing appropriate training courses and mentoring programs to enhance their entrepreneurial ability and attitude is highlighted (p. 161). In addition, Linton (2016, p. 16) noted that, a firm with EO is referenced to as a firm that “engages product-market innovation, undertakes somewhat risky ventures, and is first to come with “proactive” innovations, beating competitors to the punch” (Miller, 1983). Similarly, Neneh and Van (2017) have argued that entrepreneurial orientation (EO) has been widely touted as a fundamental ingredient for enhancing firm growth (p. 166). Likewise, Basile (2012) discusses entrepreneurial orientation, as the strategic processes, practices, and decisions that entrepreneurs use when formulating the business purpose and sustain its vision, in order to create a sustainable competitive advantage.
Covin and Lumpkin (2011), proposed an alternative conceptualization and operationalization of entrepreneurial orientation as a composite construct. According to Syrjä, et al. (2018), social entrepreneurs exhibit highly innovative behaviour when developing new ways to serve the social purpose. Syrjä, et al., argued that, social entrepreneurship is not limited to a specific sector as it may occur within and across sectors. Likewise, Kosa, Mohammad, and Ajibie (2018, p. 14) concluded that, entrepreneurial orientation positively influences ventures performance, and specifically, proactiveness, risk-taking, and autonomous dimensions positively determine venture performance.

According to Ratten and Welpe (2011), social entrepreneurship provides community members with opportunities to address unmet needs through the creation of social enterprises. Social entrepreneurship focuses on a social mission and it aims to engage in entrepreneurial behaviours and activities (Dacin, et al., 2010). More over, the British Council (2016) study in Ghana revealed that, a number of trends of potential interest to the social enterprise ecosystem including policy-makers and providers of finance have strong female presence. Further, the study revealed that social enterprises have more female leaders than mainstream business, and female-led social enterprises are more likely to hire women onto their staff (Togobo, Togobo, Darko, & Sharp, 2016).

Simiyu, Namusonge, and Sakwa (2016, p. 1200) found that, entrepreneurial orientation had a statistically significant relationship with the growth of women MSEs at 0.05 level of significance. Simiyu, et al., revealed that entrepreneurial orientation was significantly related to the performance of pharmaceutical firms. Further Abaho, Begumisa, Aikiriza, and Turyasingura, (2017), established there was significant positive correlation between innovativeness and social enterprise growth where innovation took place among social enterprises. In addition Wainaina (2017) established that, entrepreneurial orientation was positively and statistically significant in explaining the growth of microfinance initiatives. Likewise, Kinuthia and were (2018, p. 38), revealed there was a strong relationship between innovativeness, proactiveness, risk-taking, and autonomy on the growth of social enterprises among SMEs.

2. Methods
A descriptive study design was appropriate for this study because it enabled the researchers to engage the social enterprises in their natural contexts in Kiambu County. The choice of this design is informed by the fact that social entrepreneurial practices reside within people or individuals and is exemplified in their entrepreneurial actions and outcomes. Descriptive research design was fitting in the current study as it is concerned with the individual characteristics of the social entrepreneurs within their social enterprises. According to Creswell (2002), descriptive research design is used when collecting information about people’s attitude, opinions and habits and is appropriate for analyzing social behavior and patterns. The County of Kiambu is the bedroom for many workers from Nairobi County. This scenario has overstretched vital human services as health, sanitation, poverty, education, and business among others. The County many inhabitants engaged in diverse initiatives among which social enterprises are accounted to be approximately over 1944 addressing complex social problems.
The target population for the study was composed of 1944 social enterprises from which 322 social enterprises were sampled for the study (Krejcie & Morgan, 1970). The chosen social enterprises were those engaged in a social mission, namely solving one or more social problems in the society. Probability and non-probability sampling techniques were adopted in the study. First, purposive sampling was used to select Kiambu County; secondly, stratified sampling technique was used to stratify the social enterprises according to the 12 sub-counties forming Kiambu County. Stratified sampling enabled the researchers to obtain a representative sample of all the social enterprises from the target sub-counties. This enabled the possibility of reducing the standard error by providing control over the variance. The research instruments were survey questionnaires and interview guides. Quantitative data was examined through descriptive statistics and inferential statistics while on qualitative data, from the interviews, themes were generated and presented in narrative forms and direct quotes.

3. Results

3.1. Response Rate Results
The response rate is the level of individuals who responded to a study. According to Orodho (2003), the response rate is the degree to which the final data sets incorporate all sampled individuals and is determined as the number of respondents with whom interviews are completed and divided by the absolute number of respondents of the whole sample including none respondents. This study sampled 322 social enterprises. The researcher distributed 322 questionnaires. The response and non-response rate are presented in Table 1.

<table>
<thead>
<tr>
<th>Questionnaire</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned</td>
<td>285</td>
<td>88.5%</td>
</tr>
<tr>
<td>Not Returned</td>
<td>27</td>
<td>11.5%</td>
</tr>
<tr>
<td>Total</td>
<td>322</td>
<td>100%</td>
</tr>
</tbody>
</table>

According to Table 1, from the 322 questionnaires distributed, 285 were returned. From the questionnaires returned, the overall response rate is 88.5% against a non-response rate of 11.5%. The non-response rate of 11.5% was insignificant following the comment of Kothari (2004) who indicates that, a response rate of 50% is viewed as normal and a response rate between 60-70% is seen as satisfactory while anything above 70% is considered as an excellent response rate. This response rate was, thusly, is thought to be an acceptable representation of the sample to provide sufficient findings for analysis and to infer the conclusions about the study variables.

3.2. Respondents Gender Distribution
The study sought to identify the gender distribution of the participants of the study. The results on this question are presented in Table 2.
Table 2: Gender Distribution

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>128</td>
<td>44.9</td>
</tr>
<tr>
<td>Female</td>
<td>157</td>
<td>55.1</td>
</tr>
<tr>
<td>Total</td>
<td>285</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the results on gender, as presented in Table 2, the researchers concluded that the participants in the study were either male or female. The participation in regards to gender and as depicted in Table 2 shows that 55.1% (157) were females while 44.9% (128) were males. These results indicate that the participants were from either gender.

3.3. Social Enterprise Age

The study sought to find the age of the social enterprises that were represented in this study. The results on this question are presented in Table 3. Firm age was measured in terms of the number of years of operation of the social enterprise.

Table 3: Age distribution of social enterprises

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5 years</td>
<td>171</td>
<td>60.0</td>
</tr>
<tr>
<td>6-10 years</td>
<td>63</td>
<td>22.1</td>
</tr>
<tr>
<td>11-20 years</td>
<td>31</td>
<td>10.9</td>
</tr>
<tr>
<td>Above 21 years</td>
<td>20</td>
<td>7.0</td>
</tr>
<tr>
<td>Total</td>
<td>285</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 3 indicates that, 63% of the social enterprises had existed for 0 to 5 years, 22.1% had been in operation for 6 to 10 years, and 10.9% had been in operation for between 11 to 20 years while 7% had operated for a period above 21 years. The distribution of these firms for the years they have been in operation is as shown in Table 3.

3.4. Regression Analysis for Entrepreneurial Orientation and Social Transformation

The result of the regression analysis for entrepreneurial orientation with social transformation by social enterprises was done and the model summary is presented in Table 4.

Table 4: Model for Entrepreneurial Orientation and Social Transformation

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.186a</td>
<td>.035</td>
<td>.032</td>
<td>12.22889</td>
</tr>
</tbody>
</table>

The results in Table 4 indicate R is .186, R squared is .035, adjusted R squared is .032 while the standard error estimates is 12.22889.
Table 5: ANOVA for Entrepreneurial Orientation and Social Transformation

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1754.006</td>
<td>1</td>
<td>1754.006</td>
<td>11.729</td>
<td>.001b</td>
</tr>
<tr>
<td>Residual</td>
<td>48751.905</td>
<td>326</td>
<td>149.546</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50505.912</td>
<td>327</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: ST  
b. Predictors: (Constant), EO

The results for Analysis of Variance for entrepreneurial orientation with social transformation by social enterprises as shown in Table 5 indicate $F$-Statistics value is 11.729 with $p$-value of 0.001.

Table 6: Coefficients for Entrepreneurial Orientation and Social Transformation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>31.353</td>
<td>5.108</td>
<td>6.138</td>
</tr>
<tr>
<td>1</td>
<td>EO</td>
<td>.189</td>
<td>.055</td>
<td>.186</td>
</tr>
</tbody>
</table>

Table 6 shows beta coefficient is 0.186, the $t$-values are 6.138 and 3.425 with $p$-values being 0.000 and 0.001. Further, correlation analysis was used to determine the direction and strength of the relationship between entrepreneurial orientation and social transformation. Pearson correlation coefficient was used to determine the magnitude and the direction of the relationship. The values of the correlation coefficient (R) are supposed to be between -1 and +1 (Sekaran, & Roger, 2010). The result of the correlation analysis is presented in Table 7.

Table 7: Correlation for entrepreneurial orientation and social transformation

<table>
<thead>
<tr>
<th></th>
<th>ST</th>
<th>EO</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>328</td>
<td></td>
</tr>
<tr>
<td>EO</td>
<td>Pearson Correlation</td>
<td>.186**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
</tr>
<tr>
<td>N</td>
<td>328</td>
<td>328</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

The results in Table 7, revealed $r=.186$ and $p$-value=.001.
4. Discussions

The results in Table 4 indicate there is a relationship between entrepreneurial orientation and social transformation by SEs in which $R^2$ was 0.035 implying that 3.5% of social transformation by SEs was explained by entrepreneurial orientation. This shows that an increase in entrepreneurial orientation by one unit causes an increase in social transformation by social enterprises of 0.035. The adjusted $R$ square of 0.032 means the entrepreneurial orientation without the constant explains 3.2% variation in social transformation by the SEs. The remaining 96.8% variation in social transformation by the social enterprises is explained by other variables were not in this model.

The ANOVA results in Table 5 indicated $F$-Statistics value is greater than the critical value of 3.85 and $p$-value was 0.001 which was less than 0.05 meaning that the relationship between entrepreneurial orientation and social transformation by SEs was significant. Thus, the null hypothesis was rejected and concluded that there was a significant relationship between entrepreneurial orientation and social transformation by SEs in Kiambu County.

From the results in Table 6, the $p$-value is less than 0.05 hence the model was statistically significant. The model was defined as $Y = 31.353 + 0.189X_1$, indicating that every unit increase in entrepreneurial orientation leads to 0.189 increase of social transformation by SEs in Kiambu County. This implies that entrepreneurial orientation positively affects social transformation by SEs in Kiambu County.

The results in Table indicate there is a positive correlation between entrepreneurial orientation and social transformation by social enterprises as flagged by SPSS at $p$-value of 0.001 (2-tailed). The $p$-value from the results in Table 6, is less than 0.01 and Pearson Correlation coefficient of 0.186. This implies that there was a significant relationship between entrepreneurial orientation and social transformation by social enterprises. However, the relationship is not very significant as it only explains only 18%. The positive correlation coefficient value implies that there is a positive relationship between entrepreneurial orientation and social transformation by social enterprises in Kiambu County. That is, as entrepreneurial orientation by social enterprises increases, the social transformation by the Social enterprises increases. The study concludes that there is a positive relationship between entrepreneurial orientation and social transformation by Social enterprises in Kiambu County, Kenya.

The results for Analysis of Variance for entrepreneurial orientation with social transformation by SEs in which computed $F$-Statistics value was 11.729 which is greater than the critical value of 3.85 and $p$-value was 0.001 which was less than 0.05 meaning that the relationship between entrepreneurial orientation and social transformation by SEs was significant. The beta coefficient summary in which the $t$-values are 6.138 and 3.425 with $p$-values being 0.000 and 0.001 which are less than 0.05 indicates the model was statistically significant. The model was defined as $Y = 31.353 + 0.189X_1$, indicating that every unit increase in entrepreneurial orientation leads to 0.189 increase of social transformation by SEs in Kiambu County. This implies that entrepreneurial orientation positively affects social transformation by SEs in Kiambu County. The results revealed that there is a significant correlation between entrepreneurial orientation and social transformation by social enterprises, with $p$-value of 0.000, which is less than 0.01.
Kosa, et al. (2018, p. 14) claimed that, entrepreneurial orientation positively influences ventures performance, and specifically, proactiveness, risk-taking and autonomous dimensions positively determine venture performance. Further, according to Mutlutürk (2018), the effects of individual entrepreneurial orientation (IEO) were mediated by self-efficacy. Mutlutürk provides an overview of the current debate about the measurements of entrepreneurial orientation. This argument is in agreement with the findings in the current study.

A study by Okeyo (2012) established that, non-existence of entrepreneurial orientation is one of the factors that lead to failure of several start-ups and SMEs. This study agrees with findings by Kiriku (2016) that Entrepreneurial Orientation influences performance of Social Enterprises in Kenya which conurs with study in Kiambu County.

**Hypothesis**

The objective was to establish the influence of entrepreneurial orientation on social transformation in Kiambu County, Kenya. Thus the study hypothesis are:

\[ H_0: \text{There is no significant influence of entrepreneurial orientation and social transformation in Kiambu County, Kenya} \]

\[ H_a: \text{Entrepreneurial orientation has significant influence on social transformation in Kiambu County, Kenya.} \]

This study sought to test whether entrepreneurial orientation had any significant effect on social transformation by social enterprises in Kiambu County, Kenya. From multivariate regression analysis entrepreneurial orientation had regression coefficient \( \beta = 0.186 \), with a corresponding \( p = 0.001 \). The coefficient \( \beta = 0.186 \) is also significantly different from 0 with a \( p\)-value=0.001 which is less than 0.05. Similarly, \( t\)-statistics computed 3.425 was greater than \( t\)-critical 1.96 at 0.05 significance level, this implies that the null hypothesis \( \beta_1=0 \) was rejected and the alternative hypothesis \( (H\text{a}1) \beta_1\neq0 \) was taken to hold implying that entrepreneurial orientation had positive and significant effect on social transformation of social enterprises in Kiambu County, Kenya. Based on these findings a unit increase in entrepreneurial orientation would results to increase of 0.186 units in social transformation of social enterprises in Kiambu County, Kenya.

This finding is in line with Kiruki (2016) who concluded that, entrepreneurial orientation has a direct relationship with social performance demonstrated by achievement of the social mission though not significant hence, entrepreneurial orientation does not add any value in social performance of enterprises operating in Kenya. Similarly, an analysis of the entrepreneurial dimensions revealed that innovation and risk-taking had a direct relationship with social performance while proactiveness had an inverse association. Moreover, none of the relationship was significant and it is concluded, that, no single dimension effectively influences social performance (p. 61).
5. Conclusion
The objective was to establish the influence of entrepreneurial orientation on social transformation in Kiambu County, Kenya. From the findings, the study was able to detect a statistical significant influence between entrepreneurial orientation and social transformation by social enterprises in Kiambu County at 0.05 level of significance. The findings from Pearson correlation revealed that there was correlation between social transformation and entrepreneurial orientation. The regression analysis also revealed that there was significant relationship between entrepreneurial orientation and the social transformation by social enterprises.

6. Recommendations
The results for first objective showed significant relationship between entrepreneurial orientation and social transformation by social enterprises. Entrepreneurial orientation in terms of proactiveness, innovativeness and competitive aggressiveness like many other factors of entrepreneurship can be improved deliberately in a business setup. Training on innovation is necessary to help social entrepreneurs become innovative in their solutions to social problems.

Further, policy initiative by the County Government of Kiambu to promote the vibrancy and positionality of social entrepreneurship in social transformation is highly recommended. This will help facilitate the much desired social transformation which will lead towards the realization of the Kenya’s vision 2030 especially pertaining to poverty alleviation by job creation through the social enterprises.

The national and county government bureaucratic regulations have been blamed for failing to facilitate the growth of social entrepreneurship hence should reverse their approach. There should be sound social entrepreneurship policy in which social enterprises should be anchored. The policy will give guidance on training, development and growth of different aspects of social entrepreneurship so as to attain the objectives of entrepreneurial orientation.

This study investigated the effect of entrepreneurial orientation by social enterprises on social transformation in Kiambu County, Kenya. The researchers contribute to the body of existing knowledge by revealing that entrepreneurial orientation as a determinant of social entrepreneurship has a positive effect on social transformation.

7. Areas for further research
The researchers recommend that future studies could cluster the social enterprises and then using the same determinants seek to establish the influence on social transformation.

REFERENCES


