Social Entrepreneurship in Kenya

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Context

This research is performed as an element of the Master program Management of Technology of the faculty of Technology, Policy and Management at Delft University of Technology.

The thesis is part of a free specialization programme in the direction of Values and Technology with Philosophy as a core interest. The specialization is used as an opportunity to focus on the role of technology in society and in the development of society.

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Abstract

The subject of this research is the promotion of social entrepreneurship in Kenya. There are almost no medium-sized businesses in Kenya which indicates that there is a lack of growth of the many micro and small enterprises.

The research investigates what the pitfalls and barriers in culture and in the institutional framework for the country's entrepreneurship are. Certain cultural dimensions as community feeling, particularism, power distance, and fatalism are discussed, next to some institutional problems as bureaucracy, corruption, and tribal issues. Civil society is examined as an important factor influencing development in a country. It was found to be coming up, but not yet fully developed in Kenya.

Recommendations on what would be beneficial changes to promote social entrepreneurship in Kenya are given in terms of cultural transition and institution building. Means to assist these changes are identified in the form of education, gender equality and urbanization.

Finally, the theory of the Capability Approach is used as an evaluation tool to indicate the social impact that the proposed transitions in cultural dimensions and developments in entrepreneurship have. This attempt will gain insight and provides a step towards applicability of the theory in practice in relation to cultural values with an emphasis on social entrepreneurship.

Keywords:

*Social entrepreneurship, cultural transition, civil society, institution building, Capability Approach*
Preface & Acknowledgements

This research is my final project as a student Management of Technology. After finalizing a Bachelors degree in Life science & Technology I choose for the master MoT. The program offered development of skills on the social side of technology. The role of technology in society and development and the ethical discussions about this role gained my attention, I wanted to learn more in this field. I am therefore very proud that it was possible to establish this research and of the result that is in your hands right now.

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List of Abbreviations

CA  Capability Approach
KEBS  Kenya Bureau of Standards
MSE  Micro and Small enterprises
MSME  Micro, Small and Medium enterprises
SE  Social Entrepreneurship

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1. Introduction

Norah Atieno Odhiambo is a young Luo woman that lives in Nairobi. She works at Wananchi Canvas Ltd., a factory where canvas safari tents are produced. Officially her job is to be the firm’s secretary and the manager’s assistant regarding the finances. In reality, she fulfils a kind of mother role for the company. She pampers the men working in the factory and mediates when there are disagreements between the employees and the manager. Sometimes she even tries to solve matters without the manager knowing it, to keep the peace in the company. With her effort she maintains the way daily business goes, while the company is not functioning well. The manager is not able to keep his customers, they are not making any profit for months, the personnel is unsatisfied, and a lot of the machinery is broken. On top of that there are family members of the manager on the pay role that are not even working for the company. The situation seems hopeless, still Norah struggles every day to keep the business going as usual.

Bonifacius is a young man living in a small town near Mombasa. He works as a cook for one of the hotels at Kenya’s coastline. It was never his dream to be a cook. He always wanted to become a skilled barber. One day he tried to fulfil this dream. He rented a place and with his saving money and a small loan he bought a barber chair and the necessary tools to cut and style hair. He found some customers right away, but as a starting business and with the loan he had to pay off he did not make any profit. This was no problem until the moment that authorities came to check his licences. He worked without them, since he could not pay for licences next to his other investments. By giving the policemen some money he bought himself some time. A month later there was another check. This time he could not bribe the officer, since he did not have any money and his tools and barber chair were confiscated. Now he had nothing left but a debt and decided to find a job with less risk.

These examples are common stories for the people of Kenya when you ask them about their working life. Many businesses encounter problems of different kinds and the business environment is far from stable.

This research focuses on the Kenyan business environment. It investigates the barriers in culture and in the institutional framework that are encountered by entrepreneurship. The goal is to find what changes would help to tackle the problems and are therefore beneficial in stimulating entrepreneurship. Furthermore, an attempt is done to find a way to monitor these developments in the business environment.

This chapter first provides background information about the economic growth of Kenya in order to introduce the existing problems. The second section describes the practical problems and in the third the theoretical problems are explained. The research set up is illustrated in the fourth section.
1.1. Background Kenya

Kenya is the fastest developing country of East-Africa. With its 43 million residents, GDP of 36.21 billion and GDP growth rate of 4.3% it is the 90th in rank in growth rate of all countries in the world and the largest East-African economy (CIA Factbook, 2012).

1.1.1. Barriers for economic growth

Although the situation is improving, there are some important factors that work against the country’s growth. One of these is the current state of the infrastructure. The few asphalted roads are badly maintained and are not able to cope with the heavy load of traffic that they have to carry daily. Rapid urbanization has caused a large demand for the infrastructure.

A new development came with the ‘Kenya Vision 2030’, constituted by the Kenyan government in July of 2008 (Kenya vision 2030, 2008). This extended project consists of many sub-projects with the aim to “transform Kenya into a newly industrializing, middle-income country providing a high quality of life to all its citizens by 2030 in a clean and secure environment”. Among these projects is one for the infrastructure under the name ‘Road Network Expansion’ for which the World Bank approved 100 million dollars subsidies. This infrastructure project aims to “develop and maintain existing road networks in order to improve access as well as spur movement of people and goods”. Economy growth will obviously benefit from this major improvement in infrastructure (Global Times, 2010).

Another factor hampering growth of the economy is the political situation in the country. The situation is unstable with tribal politics and high levels of corruption going on. Firstly, the country is divided in different tribes: Kikuyu 22%, Luhya 14%, Luo 13%, Kalenjin 12%, Kamba 11%, Kisii 6%, Meru 6%, other African 15%, non-African (Asian, European, and Arab) 1%. These tribes are often represented in political parties. Voting is therefore a matter of choosing between your tribe’s parties instead of regarding the political programs.

After the elections of 2007 there was a wave of violence caused by cheating in elections and evoking the people of different tribes against each other by political leaders. The violence caused a downfall of the Kenyan economy and development. Now the country has regained its economic strength, but new elections are coming up during the time of this writing, the 4th of March 2013 these will take place and the political scene does certainly not seem to have become less divided by tribes.
1.1.2. **Unemployment**

Despite of the economic progress, unemployment rates are still high. According to the latest calculations in 2008 this was 40% of the labour force. In 2001 the number was the same, so little progress is visible (CIA Factbook, 2012). Unemployment comes with more problems as poverty, violence and addiction. These are the largest problems Kenya is dealing with nowadays.

1.1.3. **The ‘missing middle’**

There are different definitions for micro, small and medium enterprises (MSMEs) all over the world. The definition of MSMEs in this research will be following the rough parameters of Europe.eu stating a micro enterprise is one with up till 10 employees, a small enterprise consists of 11 to 50 employees, and a medium sized enterprise is one with up to 250 employees (Europe.eu 2012).

In the landscape of MSMEs in Kenya not a lot of medium sized companies exist. Literature refers to this problem as 'the missing middle’. In an overview of where people work it becomes visible that only 5 per cent of total employment in MSMEs works in these medium sized companies. The lack of companies that are medium-sized indicates that small enterprises do not grow larger. It is a challenge for the government to stimulate the small enterprises to grow and improve their contribution to employment (Nelson 1997).

1.2. **Practical Problems**

In this paragraph the practical problems the research addresses are explained.

1.2.1. **Lack of production capacity for growth of MSE’s in developing countries**

One of the problems that small enterprises in developing countries face with up-scaling is the lack of production capacity for growth. The production capacity is a direct product of the knowledge the employees have and it gives an indication of their cultural background for example in the capacity of planning and anticipation. These are two examples of factors that are related to culture and can play a crucial part in failure in up-scaling of small companies. The cultural attitude is of importance in capacity building. With a firm’s expansion the behavioural values that hinder growth show up and need to be re-evaluated to be able to stimulate the growth of a company.

1.2.2. **Lack of regulation for growth of MSE’s in developing countries**

Another problem small enterprises in developing countries face with up-scaling of is the lack of regulation for growth. The institutional framework in countries as Kenya is not well developed. Some institutions that would exist in a well developed
situation are missing, simply because they were never established. Another problem is that the institutions that are there do not know of each other’s existence leading to a malfunctioning network.

1.2.3. Applicability of general management tools
Since every culture has its own values on specific issues there is no reason to believe that management can be performed in a universal way all over the world. From the literature Hofstede and Trompenaars have provided us, analysis of culture differences can be done and the applicability of general management tools in different cultural settings investigated (Hofstede, 1996; Trompenaars, 1999).

1.3. Theoretical Problems
This section describes the theoretical problems this research encountered.

1.3.1. Establishing and concretizing of capabilities
In this research an attempt is done to use the capability approach (CA) for monitoring progress in Kenya’s development. Amartya Sen established the CA to provide an alternative for the judgement of people’s welfare. The only way economists looked at this before was by judging utilities, Sen proposed instead to take people’s capabilities into account. The CA is a broad theory that provides a framework for the evaluation and assessment of individual well-being and social arrangements, the design of policies and proposals about social change in society. It focuses on multidimensional aspects of human well-being through a view on capabilities as means instead of ends (Deneulin, 2006).

The problem that is faced in this research is that it is hard to establish and concretize capabilities in practice for several reasons. One of the reasons is a result of the different visions in the development of the CA and because ends and means sometimes overlap. To use capabilities in practice several matters have to be taken into account. The challenge of conflicting interests is one of them. What helps one capability might not be beneficial for the path of another (Ziegler, 2010). This means that values have to be prioritized for a certain goal and therefore the importance of the goals needs to be clear as well.

Another pitfall for the use of the CA is which capabilities to select. Sen refuses to make a list, while other researchers argue that we need to know how to select or identify which capabilities are relevant in which situation, or for which purpose, in order to have the CA operational (Robeyns, 2005). The list of capabilities that Marta Nussbaum stated can be used as a diagnostic tool to examine overall social impact of a transition. But others claim that Nussbaum’s capabilities are far to
general and problems will arise when it is used in combination with undemocratic local decision making (Robeyns, 2005, Ziegler, 2010).

An attempt to overcome the problems is done by the Human Development Reports. They annually publish a report on some core ideas of the CA in accessible language and operational policy descriptions. Human beings are attended to as ends of development in these reports and some implications of that perspective are articulated in a range of topics that can be evaluated. This is done with an operational tool they developed, the Human Development Index. (Alkire, 2005)

Operationalization of the CA is not a one-time event. Value judgments in CA ask for re-evaluation for every new assessment of a situation or goal, the selection on which capabilities or functionings to focus must be done repeatedly. One of the challenges in this research will be to relate capabilities to developments that are beneficial for the business environment. In order to overcome a part of this problem the evaluation will be made for social entrepreneurship. Social entrepreneurship and the CA strengthen each other in the way that social entrepreneurship always strives for social improvement. Another characteristic of social entrepreneurship is sustainable entrepreneurship which indicates that a firm’s intentions are good and the company does not exploit its personnel or handles the country’s resources in an unsustainable way. No problems arise when the analysis is performed on information about the culture and entrepreneurial environment gained in normal entrepreneurship and the discussion that follows gives advice to stimulate social entrepreneurship since the business environment is adequate for both forms of entrepreneurship.

1.3.2. Cultural Relativism

In order to look at another culture objectively, one has to put off the glasses of his own culture. Since it is impossible to let go off all imprinted values one has learnt throughout his or her life this can become an obstacle in judging values of other cultures. This is how cultural relativism can be a problem for the research.

When we are aware of the fact that we look at African culture through our Western glasses, and keep this in mind when we compare things, cultural relativism does not have to be a large obstacle. The awareness can probably not abolish the effects, but will decrease them. The researcher needs to be careful with judgments, and try to see the situation from a higher perspective. The first step towards understanding is by understanding the dimensions of the culture (Hofstede, 1996; Trompenaars, 1999), therefore these dimensions are investigated thoroughly.
1.4. The Research

In the research cultural values are investigated in a field research in the entrepreneurial environment in Kenya. By exploring the cultural dimensions as they are displayed in this environment the values that are found are fused with values promoting entrepreneurship. When there is a shift in values the way of doing business will change at the same time.

Furthermore, the establishment of civil society is discussed because it is a factor that can influence development. When civil society is established it contributes to the policy of the government regarding institution building. How these regulations and institutions are in Kenya is questioned in the interviews with entrepreneurs and institutions.

Consequently, an attempt is done to observe from what changes in culture and institution building the entrepreneurial environment would benefit. These transitions that are established through a change of values and social entrepreneurship are finally evaluated with the capability approach.

In this paragraph the goal of the research is explained and the questions that will be used as means to reach the objectives of the research are stated and subdivided in smaller questions.

1.4.1. Research Objectives

The goal of this research is threefold. First, an attempt is done to find what is required in terms of cultural transition and institution building to promote social entrepreneurship in Kenya.

Secondly, aspects that can function as means to induce and contribute to the transitions will be determined. Examples from practice are discussed and recommendations for use in social entrepreneurship are given.

The last objective is to evaluate the transitions in values from the perspective of the capability approach. This attempt will gain insight and maybe a step towards applicability of the theory in practice in relation to cultural values with an emphasis on social entrepreneurship.

1.4.2. Research Questions

The main research question following from the objectives is:
How can social entrepreneurship be promoted in Kenyan society?
The research is performed using the following sub-questions:

- a) What are the cultural characteristics of Kenya?
- b) What is the state of Kenyan civil society?
- c) How is the current state of entrepreneurship in Kenya?
- d) From what changes of values in a cultural transition would social entrepreneurship benefit?
- e) From what changes in institution building would social entrepreneurship benefit?
- f) What aspects can be identified as means to induce value transitions?
- g) Is it possible to evaluate these value transitions with the capability approach?

1.4.3. Conceptual Framework

Before the research started a conceptual framework (Figure 1) was created to visualize the steps of the research as a support.

In the framework is indicated what sphere has influences on what part(s) of the system with arrows. Values and entrepreneurship are visible as one block, since they are fused with each other as described before at the beginning of this section. Institutions and regulations by the government have direct influence on the way entrepreneurship is performed. The capabilities that are resulting directly from the shift in values and entrepreneurship are evaluated. All of these direct processes are indicated with a thick arrow.

Civil society and government are two institutions that interact with each other, but do not provide a clearly stated output in one direction. It is more or less a continuous process of balancing between the two. The cultural values play a role for the way civil society is established, since civil society is dependent on the people and therefore on their ways to organize and express themselves. These more indirect influences are indicated with a thin arrow.

Figure 1. Conceptual framework for the research.
1.4.4. Thesis Outline

The thesis outline in figure 2 shows the structure of the thesis. It provides the overview on which research question is elaborated in what chapter.

The first chapter is dedicated to the explanation of the background of the research, its goal and objectives. The second chapter targets the theory that was used for the research. It explains the theoretical framework that is used to answer the research questions. The third chapter provides insight in the way the research is performed by explaining the methodology and elaborating on the topic list that was used for the interviews.

The fourth chapter is dedicated to the analysis. The fieldwork delivered much data that was analyzed on the hand of the theoretical framework in this part of the thesis. The findings on cultural characteristics, state of civil society and the current state of entrepreneurship are described in this chapter.

Chapter five is used to discuss the transitions that would be beneficial according to the findings of the analysis. Examples of important transitions in the culture and changes in the institutional framework that would benefit the business environment are described. Developments that are noticed during the research, which can function as means to induce the realization of these changes and transitions are explained next. The last section of this chapter elaborates on the evaluation of developments with the use of the CA.

The last chapter, chapter six, presents the important findings of the research. It explains the conclusions that are drawn from the research and provides recommendations for Kenyan entrepreneurs, business training and further research.
Figure 2. Thesis outline.

In the Appendices the observations that are done during the research are stated, the interview transcripts are displayed and appendix C shows folder material of a management and training consultant in Nairobi.
2. Theoretical Framework

The research will be conducted with an extended framework of theory that is used to put the gathered data in the right perspective and answer the research questions stated in Paragraph 1.4.2.

First, the background of social entrepreneurship will be provided. The definition of social entrepreneurship is already a widely discussed subject, which is why a statement of what is meant in this research with ‘social entrepreneurship’ will be given.

The Kenyan culture will be analyzed with the combined methods of Hofstede and Trompenaars (Hofstede 1996 & Trompenaars 1999). Both scientists have conducted extended research into various factors in culture and together provide a valuable framework to analyze a culture with. The factors of the framework will be part of the interview topic list. Found data will be the basis of analysis what transition is necessary for a better business environment.

Thirdly, civil society is defined and explained. Civil society has played a large role in development of countries and nowadays still is an important feature for a healthy society. The paragraph explains what a civil society requires and shows the markers that can be used to identify an established civil society.

The last part of the research will be establishing an evaluation tool from the perspective of the CA. In order to establish an evaluation multiple, different views on the theory are explained and criticized. This will lead to a suitable model to evaluate the value transitions and their influence on the widening of freedoms (Robeyns 2005; Ziegler, 2011; Yujuico 2008).

2.1. Social Entrepreneurship

In this section the concept of social entrepreneurship is defined first. Since it is a popular term that is used in broad sense it is useful to explain what is meant with SE in this research. Besides the image of what social entrepreneurship entails, a few of the most important problems that can be addressed by social entrepreneurship are explained in the second part.

2.1.1. Definition

Social entrepreneurship is not connected to a general theory, but instead it is more used as a slogan or an inspiring phrase (Schwedberg, 2006). For that reason he has reconsidered Schumpeter’s classic theory of entrepreneurship to understand social entrepreneurship (Schwedberg, 2009). Entrepreneurship is able to establish large-scale social change and can therefore be used as an evolutionary mechanism that explains this change. Eventually Schwedberg (2009) came up with the core of social entrepreneurship in the Schumpeterian account: ‘Social entrepreneurship is the pushing through or the successful introduction of social change, through new combinations of elements that make up some way of doing things’.
What is difficult in this is that societies are not homogeneous bodies and can contain conflicting interests. When social is implicit, groups can claim a view of what social is, that in reality descents from specific interests (Cho, 2006).

Sen (1999) sees human development in the form of expanding the human capabilities as both ends and means of development. The combination of capabilities suggests a subset of human development derived from ethics and innovation. With that Ziegler (2010) proposes the capability innovation pathway (Figure 3). The model includes social innovation and entrepreneurial capability advancement, and situates social entrepreneurship at the crossroads of sustainable, social change.

![Figure 3. Development pathways (Ziegler 2010).](image)

Yujuico (2008) provides us with a second definition: ‘Social entrepreneurship may be defined as the pursuit of enhanced social well-being akin to non-profit institutions achieved by creatively overcoming constraints characteristically encountered by for-profit institutions.’ He says social entrepreneurs are as much as traditional entrepreneurs searching for creative solutions for unfilled opportunities. In contrary to the traditional entrepreneur, the social entrepreneurs measure success in terms of enhancing social well-being instead of economic returns. This is the definition that is followed in this research, since it connects with the CA in enhancing social well-being.
2.1.2. Important goals for social entrepreneurship

Social entrepreneurs are often more integrated in the local settings and are able to advance systemic change by shifting behavioural patterns and perceptions. Perceiving that situations may be improved is often a necessary precursor to change (Bornstein, 2004).

Social entrepreneurship can be an end, but also a means at the same time. Social entrepreneurship can address many social problems whereby it is a means to reach a certain goal, for example when it addresses the problems that can be encountered by sustainable entrepreneurship. In many developing countries, entrepreneurship is quite unstable and therefore not viable, which brings along certain societal problems.

Three important problems in developing countries that can be overcome by social entrepreneurial activities are education, work experience, and gender issues. These are not randomly selected, but issues that in their turn enhance possibilities for entrepreneurship again. The amount of literature regarding these subjects is a sign of their significance. Their stimulant means a positive feedback loop promoting entrepreneurship as shown in figure 4.

![Feedback loop Social Entrepreneurship](image)

Figure 4. Feedback loop Social Entrepreneurship

In this section, the three issues are described to give an image of the way they influence entrepreneurship in developing countries and how social entrepreneurship can be a tool to abolish this influence or establish a change with it.

2.1.2.1. Education

Empirical evidence suggests that firms with better educated owners and managers function more efficiently (Burki & Terrell, 1998; Tan & Batra, 1995). In developing countries, education is not as common as in the developed world, and figures about education and company success are therefore more complicated. Primary education completion rates are only up to 60% in
Sub-Saharan Africa, next to 80% in South Asia, and 90% in the Middle East and North Africa (World Bank, 2009). This results in a low number of business owners with a high level of education. The firms that are established are often created with a survival motivation due to lack of alternative employment.

Finishing secondary school has proven to have a positive effect on firm growth for firms in Kenya (Parker, 1995). Providing training and education for personnel is therefore a way to benefit in their own entrepreneurship, and at the same time it is an investment in the education level of the people in general and a stimulant for the future economy.

2.1.2.2. Work experience
Work experience contributes to the success and growth of MSEs, since it expands the capabilities of the owner and employees through skills and knowledge acquisition, and also indirectly by expanding entrepreneurs’ social networks. For example Kenyan entrepreneurs with at least 7 years of work experience expanded their firms more rapidly than entrepreneurs without this experience (Parker, 1995).

Because of the systemic lack of opportunities for relevant work experience in some developing countries it is hard to find experienced entrepreneurs. Africa, for example, has only a few medium-sized companies, because of the missing middle, where people are able to gain their experience. With the creation of stable, social entrepreneurshipships more people are able to gain experience in the labour force.

2.1.2.3. Man vs. Woman
The majority of MSEs in developing countries are owned and managed by women. This is caused by the limited access to opportunities for them within the existing jobs (Rubio, 1991). Research on the subject found a mean of 61% of MSEs that are owned by women in a study of 9 developing countries in Africa and Latin America, ranging from 46% in Malawi, Kenya and the Dominican Republic to 84% in Swaziland (Mead & Liedholm, 1998). But all of these women also face numerous gender related challenges for the growth of their MSEs. Some examples of these factors are asymmetrical rights and obligations, disproportionate household responsibilities, significant greater problems with innumeracy and illiteracy than men, a lack of business skills, and also often unequal access to markets (Downing & Daniels, 1992; Kevane & Wydick, 2001; ILO, 1999; Kantor, 2005).

The MSEs that are owned by women are often playing a role that is crucial in increasing and diversifying household incomes. With the small but regular contribution of the woman’s enterprise, her husband has more space to fulfil his entrepreneurial aspirations. With empirical evidence it was found that women-owned MSEs tend to grow less quick than MSEs owned by men.
(Mead & Liedholm, 1998). The difference is partially due to their location in slow-growing sectors, but a significant difference remains when this factor is controlled.

Although there are many growth constraints connected to women entrepreneurship, it is found that women are often highly effective firm owners (Downing & Daniels, 1992). In a social entrepreneurship it possible to set examples to overcome the differences in gender that are prevailing in research. By putting people in positions that have the right skills instead of looking at gender (or age, or ethnicity) an example is set and the most effective organization for the entrepreneurship itself is as well found.

2.1.3. Summary of Social Entrepreneurship

Social entrepreneurship is defined as entrepreneurship that searches for creative solutions for unfilled opportunities like traditional entrepreneurs do, but with the difference that the social entrepreneur measures success in terms of enhanced social well-being instead of economic returns. The social entrepreneurship is often integrated in local settings and are looking for opportunities to improve the situation which is a necessary precursor for change.

The positive feedback loop that appears when social entrepreneurship addresses societal problems shows that social entrepreneurship can be the means and an end at the same time.

2.2. Culture

There is no such thing as a universal culture, and to overcome the problem for cultural relativism as good as possible, it is necessary to investigate a culture very thoroughly.

The Western view on entrepreneurship is different from the Eastern or the African view. To get a grip on these differences multiple studies have tried to model the most important cultural dimensions to identify differences and explain how success and failures are perceived. This section describes the models of Hostede and Trompenaars (Hofstede 1996; Trompenaars, 1999) and their significance for the research.

2.2.1. Hofstede & Trompenaars

Hofstede as well as Trompenaars stated a set of cultural dimensions that can be used in management of organizations to deal with cultural differences in business (Hofstede 1996; Trompenaars, 1999). Management methods are not universally applicable and thorough analysis is necessary to deal with the differences and perform successful management.
2.2.1.1. Hofstede

Hofstede states that culture is a concept that people learn when they grow up. Culture is therefore taught by the social environment and not something that is in human nature. To illustrate his view Hofstede has stated a model (Figure 5.) with the different layers culture consists of according to him. The following layers were identified:

- **Symbols** – signs and gestures understood only in the culture
- **Heroes** – role models with important characteristics for the culture
- **Rituals** – collective activities that are unnecessary, however socially essential for the culture
- **Values** – the core of a culture is formed by values. These represent the collective tendency to prefer certain ways above others. They are feelings with a direction.

![Figure 5. Hofstede’s model of culture (Hofstede 1996).](image)

Hofstede defines five dimensions to identify cultural differences in business. These five will be described briefly.

1. (In)equality – Power distance.
   This is the level of hierarchy present in institutions or organizations and whether the people expect and accept that power is divided unequally.

2. Individualism - Collectivism
   An individualistic society is one with loose bonds. Every person takes care of him or herself and direct family. A collectivistic society has all people as part of a close community. These groups offer lifelong protection and individuals have unchallenged loyalty towards their community.

3. Masculinity – Femininity
   A masculine society is one with separated roles for the genders. Men are assertive, hard and focused on material
success. Women are humble, tender and focusing on the quality of existence. A feminine society is one with overlapping roles for the genders. Both men and women are more focused on the quality of existence in this society.

4. **Uncertainty avoidance**

Uncertainty avoidance is the level to which members of a certain culture feel threatened by uncertain or unknown situations. Do people dare to come out of their safety zone or will they rather play things safe?

5. **Long term orientation - Short term orientation**

With a long term orientation society is willing to strive to a certain goal in the future with persistence and perseverance. People need to live the right life today to secure a good future. When a society has a short term orientation pursuing virtues is focused on present and past. A person wants to live a good life today, because there might be no tomorrow.

2.2.1.2. **Trompenaars**

Trompenaars’ definition of culture is “the way in which a group solves problems or reconciles dilemma. This also implicates that culture is nurtured, not nature. He claims that culture is our surroundings. We live by the grace of our culture and you only notice this when you find yourself outside it. Trompenaars has created a similar model as Hofstede did, which is stated below in figure 6. He defines 3 layers:

- **Artefacts and symbols** – with this the explicit and visible expressions of a culture are indicated as for example food and language.

- **Norms and values** – the norms and values of a society indicate how an individual in the society should act and what is appreciated and what is not.

- **Basic assumption and behaviours** – the core of basic assumptions are the essence of cultural difference according to Trompenaars. These basic assumptions about existence are created when groups of people start to organize themselves in functional and efficient communities.

Figure 6. Trompenaars’ model of culture (Trompenaars 1999).
Trompenaars has as well stated dimensions within cultures. All of them are built around two extremes. In most cases in practice the dimensions balance somewhere in between the extremes of the continua. The 7 dimensions are briefly described.

1. **Universalistic – Particularistic**
   In a universalistic culture everybody is treated equal through application of general regulations. In a paternalistic culture relations and conditions influence actions, not regulation. Maintenance of relationships has preference before following rules in this society.

2. **Individualism – Communitarism**
   This dimension is the balance between putting an individual above the community, or the other way around. In a community culture a person is firstly part of the community and prefers the collective interests before his or her own.

3. **Neutral – Affective**
   An affective culture shows extensive emotions. Showing thoughts and emotions is considered normal. In a neutral culture it is valued to hide emotions.

4. **Specific – Diffuse**
   This dimension means how far a person gets involved with other people’s life in certain relationships. Involvement can be specific as being only ‘valid’ in a specific area or can be very diffuse. For example a work relation of manager and employee is in a specific culture only valid on the work floor, and on the other hand in a diffuse culture the unequal work relation also counts for the private lives of the manager and the employee.

5. **Achieved - Ascribed status**
   This is how a person obtains status. In some cultures status is a person’s achievement. In others it is also possible that a status is ascribed to the person by birth or a relation.

6. **Sequential – Synchronic Time**
   This dimension is about how a society manages time. In a sequential society time is linear and consists of a prosecution of events. In a synchronic society time is cyclical. Past, present and future are intertwined with each other.
7. **Internalism – Externalism**

Internalism and externalism is about the meaning a society grants to nature. An internalistic culture believes human can influence nature. In an externalistic culture human are a part of nature and are therefore not able to control it.

2.2.2. **What do the dimensions explain?**

The dimensions show that there is no universal entrepreneurial culture. There are certain societal and cultural factors that influence initiation of entrepreneurship. On the other hand there are also non-cultural and contextual factors that will undoubtedly play a significant role in shaping entrepreneurial behaviour and action.

It is possible to make a cultural profile for a country with the dimensions stated above. This, however, does not mean that all individuals act according to all facets of their culture. There will be members of a society that deviate around their cultural norms and move themselves in ways that are new, creative, destructive, or unexpected, or as we call this collective ‘entrepreneurially’ (Hofstede, 1996). This shows the importance of culture in the initiation of entrepreneurship, because it determines the attitudes of individuals towards it (Vernon-Wortzel and Wortzel, 1997).

Entrepreneurial culture can be defined as the expression of and attitude towards commerce at a business level with a positive social attitude towards personal enterprise, enabling and supporting entrepreneurial activity (Morrison, 2000). But as important as the entrepreneurial spirit of a society are the historical experiences, beliefs, attitudes, and values (Gordon, 1996). These influence the future hope and with that the aspirations of the society in a country.

2.3. **Civil Society**

This section describes what civil society is and its role in a countries development. In the third paragraph is explained how an established civil society can be observed.

2.3.1. **Definition**

To provide ‘civil society’ with a definition is hard since very many different scientists and institutions around the world use another definition for the term. Monga (1996) appoints a reason for this diversity and the struggle for a suitable definition by explaining the dilemma that causes the problem. He claims that an attempt to define the forces that are grouped under the label civil society is problematic and doomed to fail since they are so diverse, while an attempt to define civil society is on the other hand essential when a study of recent political movements in Africa is to be more than a superficial commentary.
Insight in the term will be given here on the hand of a few given and explained definitions. Firstly the definition of Tocqueville (1904), who claimed that civil society consists of voluntary associations and independent organizations that function as a countervailing force to the government. The voluntary associations are the places where citizens can join and learn about their voice and their capacity to make demands on the government (Atibil, 2012).

Putnam (1993) said that these civic associations function to provide ‘networks of civic engagement’. Within these networks interaction is learned, trust generated and collective action established. Hence he was less of belief that civil society is a countervailing force to the government, but instead that the associations are building blocks of civil society and that they can provide opportunities to create social capital.

Another input in the discussion is given by Carothers (2000), who claims civil society is a broader concept that includes all organizations and associations that exist apart from the state and the market. These meaning interest groups as NGOs, but as well, labour unions, chambers of commerce, ethnic associations, etc. Excluding the market is an important distinction, but his main goal was to make clear that ‘civil society’ is not interchangeable with the concept of NGOs. It also illustrates the statement Monga (1996) makes that it is almost impossible to name all the factors that influence ‘civil society’.

Edwards (2005) attempts to bring the definitions together by adding them up. He characterizes ‘civil society as 1. Associational life, which implies that all associations and networks between family and state, NGOs as well as many different kinds of organizations and associations, are included. 2. The good society, which beholds the kind of society that citizens want for themselves. 3. The public sphere, which stands for the role civil society has to provide room for debate. It serves as the public space where societal differences, social problems, public policy, government action and matters of community and cultural identity can be developed and discussed. Edwards sees these three manifestations not separately, but as different pieces of the same puzzle that need to fit together for good democratic governance. Atibil (2012) puts this in other words by saying that the associational life has the potential and capability to contribute (in partnership with the state and the market) to the good society; and the public sphere is where citizens deliberate and decide on what that “good society” should be and how to achieve it.

In literature is found that the type of relationship that state and civil society have in the African context can often be explained by what the state’s conception of ‘civil society’ is and their proper role for governance. On the other hand the state-society relation also depends on how the entities that embody civil society see their own identity and role in politics. This means that the definition of civil society that both parties take up is crucial for the way the two sectors relate (Whitfield, 2003).
2.3.2. Importance of Civil Society for Development

The role of civil society in Africa is visible through the decades. In pre-colonial Africa forms of civil society organizations ranged from welfare organization and agricultural work parties to credit associations (Bratton, 1989 & Wipper, 1995). Negotiations with state authorities about enforcement of regulations on weights and measures, and laws governing debt, contract and agency, were performed by trader’s organizations representing their members. Some of the pre-colonial associations later developed into protest organizations that came up for the rights and interests of the local, colonized people (Hopkins, 1973 & Matanga, 2012).

After colonization many NGO’s arose as a reaction on earlier development strategies that failed to lift sub-Saharan Africa from poverty. From the 1970s, development focused on industrialization to achieve economic growth. The state was conceived as the motor of this development, which provoked tension on public planning and management (Matanga, 2012).

When conventional models of development with the state as important driver were becoming less popular, replacement was found in emphasis on local initiatives. NGOs that acted in this new area came up and were labelled as ‘Alternative Development’. In this new light NGOs are the entities that force the African state to open through empowerment of the poor by allowing them to participate in development decision- and policymaking. This way the NGOs became the counterweight to the state power with protection of human rights, opening of channels of communication and participation, and sometimes by providing training grounds for activists (Matanga, 2012).

Since markets and states are often not viable in many Third World countries, NGOs are left as an important alternative to promote economic development. Markets and states that are not stable enough to provide the people with their basic needs are the main drives for the growing importance of the NGO sector in the process of development (Makoba, 2002).

The NGOs and other associations that embody civil society are therefore very important for development. Civil society empowers the people, enlarges pluralism, and provides a voice that can be heard by the state.

2.3.3. Markers for an established Civil Society

Civil society is not able to establish under certain conditions. It needs a non-authoritarian government that obeys the rule of law itself. In countries with an authoritarian government a countervailing organ gets no space to express itself and can therefore not be heard.
Ethnicity is a barrier that stands in the way of cooperation of groups that transcend the tribal interests. When organizations serving one nationwide goal, are scattered in different organizations on basis of their ethnical background they cannot contribute to development. Tribal or family loyalties are not beneficial for a common goal that transcends the tribal interests and should therefore not stand in the way of cooperation. Hence, civil society does not benefit from ethnicity or tribal loyalties.

The forming of new organizations and associations is a marker of civil society. When many new organizations are established it shows the trust people have in these institutions. This trust can be a result of the examples other NGOs and organizations set and the developments they were able to establish. Next to that new organization forming also implies re-grouping. A process that implies forming an individual opinion separate from the value set a person is raised with.

2.3.4. Summary of Civil Society
Civil society is defined as the organ that is able to deliberate and decide what a good society should be and how this is achieved, at the same time it has the potential and capability to contribute to this good society in cooperation with the state and the market. In development, civil society empowers the people and provides the voice that can be heard by the state. Three requisites for civil society are the possibility for re-grouping, equal access to the system, and a government that obeys the rule of law.

2.4. Capability Approach
This research aims to promote social entrepreneurship which will at the same time bring along development of Kenyan society. One of the research goals is to monitor the developments that are the output of the proposed changes in culture and institution with the capability approach (CA). Since social entrepreneurship and the CA both focus on social development is expected that it is possible to monitor the proposed transition of cultural values with the CA by the changes in social entrepreneurship they induce. The theory on the CA is explained in more detail in this section to provide more understanding about the theory and its points of debate to be able to apply it later on in the practice of this research.

The CA is a broad theory that provides a framework for the evaluation and assessment of individual well-being and social arrangements, the design of policies and proposals about social change in society. It focuses on multidimensional aspects of human well-being through a view of capabilities as both means and ends. Sen proposed this alternative because development was only judged by the economic utilities people had, instead of taking their capabilities into account which is a different way to look at a human’s well-being.
Development is assessed in the CA in terms of enhancement of freedoms that individuals have, and whether these freedoms are achieved through the free agency of individuals (Deneulin, 2006). Freedom meaning freedom of choice, which consists of the possibilities a person gets to pick from. Agency is about what a person can do according to his own values and will be explained more extensive in section 2.4.2.

The CA is being used for the evaluation of multiple aspects of human well-being, as for example in assessing inequality, poverty, the well-being of the individual or of members in a group. At other times it is used as an alternative evaluative tool to rank policies or designs for developmental countries, or for a social cost-benefit analysis. The CA does not explain poverty, inequality and well-being, but provides a conceptual tool and a normative framework to conceptualize and evaluate the phenomena. The core characteristic of the CA is the focus on what people are effectively able to do and to be, by describing the capabilities a person can chose from to determine what he is or does.

In the CA the distinction between means and ends of well-being and development is made, so as to make a distinction to what has instrumental or intrinsic importance. Means are instrumental to reach the goal of increased well-being, justice and development. In practice, some ends are also means at the same time, as an example being in good health is an end in itself, but also a means when it comes to the capability of work. The CA covers all dimensions of human well-being, but it especially presses the point that means are not the ultimate end of well-being.

2.4.1. Functionings & Capabilities

The capability to function is the effective opportunity to undertake the actions and activities a person wants to engage in and that he can be who he wants to be. These beings and doings are ‘functionings’ according to Sen. Together they constitute what makes a life valuable. Examples of functionings are working, being healthy, being part of a community, being respected etc.

A capability is here actually the capability set a person can choose from, a combination of potential functionings. The functionings are then possible or achieved.

In Sen’s work a set of basic capabilities was stated that referred to the freedom to do basic things that are necessary for survival and to avoid and escape poverty. This was used as a cut-off point to assess poverty and deprivation (Robeyns, 2005).

There is an ongoing discussion whether it is more useful to look at functionings than to look at capabilities. There are cases whereby it is of more value to investigate achieved functions of the people rather than evaluating their capabilities. For example when the extreme situation occurs when somebody is very well-nourished in a country where hunger is the
standard. Here it is interesting to see how the person did reach the achieved functioning, while the capability was hardly present (Frances Stewart, 1995).

People with an identical set of capabilities end up with a different type and level of achieved functionings, because they make different choices along the way. This is why in principle capabilities are a more appropriate political goal than achieved functionings are. What is important to realize here is that the choices people make are not always completely free, since they are influenced by family, tribal, religious or other cultural ties. The question then is whether some decisions are a choice at all and to what extent people genuinely have access to all the capabilities in their capability set (Robeyns, 2005).

The conversion factor determines the extent to which a good can serve functionings. For example a bike is a good that can provide mobility. How much mobility the bike can provide depends whether a person knows how to ride a bike or not. Someone who has practiced bike riding before will gain a higher conversion factor out of the good than someone who has never done it before.

There are three types of individual conversion factors; personal, social, and environmental. Physical ability of a person to ride the bike is a personal conversion factor. Allowance to ride the bike for example for women is a social conversion factor. As a third, the role infrastructure plays on how far a person can come, thus how mobile he is, is the environmental conversion factor.

### 2.4.2. Agency

One of the central concepts in the CA is agency. The ability a person has to act according to the things he or she values is called agency. Sen describes it as ‘what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important’ (Sen, 1985). Freedom exists in two different aspects, opportunity and process. Opportunity focuses on the ability of an individual to achieve the things that are valuable to him. The process part of freedom emphasizes on the freedom involved in the process itself. Capabilities refer to the opportunity part of freedom, while agency refers to the personal process of freedom (Gasper, 2004). With wider freedom an agent is able to achieve goals he values, and the other way around, exercising agencies leads to further widening of freedoms (Ibrahim, 2006). People themselves decide the kind of development they have, since development relies on people’s freedom to make decisions and with that on the decisions people make about their key objectives. Hence, ‘people who enjoy high levels of agency are engaged in actions that are congruent with their values’ (Alkire 2007).

Agency goals can be commitments to other individuals, and their pursuit sometimes negative to the individual’s own well-being, as an example when parents starve to get their children enough food. This is the difference between agency and well-
being. Agency consists of all goals a person has in mind instead of only the goals for the individuals own well-being (Sen, 1985).

2.4.3. Measurement issues
The CA is a framework of thought, a way of thinking about normative issues. It is a manner to process the information that we need to judge individual well-being, social policies, and so forth. It also rejects other approaches as for example when only money is taken into account to evaluate alternatives. The theory identifies social constraints that influence and restrict well-being and its evaluation.

The realization of values differs across cultures and situations which makes it hard to specify them and is therefore something experts from outside a culture cannot fully achieve. There is often more than one capability connected to a situation which creates discussion about respective weight of the capabilities in practical context (Ziegler, 2010).

Because different values are more or less important in different situations they need to be determined every time the theory is applied. When that is done it is still hard if not impossible to determine which values are more important than others when you look at a population. Values can differ per age group or per gender. Who decides which group’s ranking of values is more important than the ranking of the other groups? These are choices that are probably impossible to make.

2.4.4. The CA and groups
There is lots of discussion about the CA and individualism, groups and social structures. The discussion is mainly focused on the fact that the CA is too individualistic, since it does not consider persons as a part of a larger social structure or part of a group. Robeyns (2005) claims that the discussion exists without valid reasoning. She states that ethical individualism is not incompatible with an ontology that sees the social connections between people. ‘A social policy that focuses on certain groups or communities can be perfectly compatible with ethical individualism’ according to Robeyns. Furthermore, the CA puts emphasis on comparing the capabilities of categories of individuals with one another, for example women and men. There is also a lot written about the importance of groups for people’s well-being and several capabilities proposed in literature include capabilities related to community membership, for example affiliation in Nussbaum’s top-ten list.

A problem that strikes the CA within group membership is the influence it has on people’s well-being and the limitation of the individual, rational agency. Sen believes that individual persons are able to be rational enough to resist social and moral pressure resulting from the group they are part of. Not all researchers agree on this, they state that influence of social norms and other group-based processes may have a significant influence on choices, perceptions and therefore eventually on well-
being (Robeyns, 2005). An example is the capability of women to read and write that is often deeply hindered by social norms that affect their perspective in such a way that the women do not see the lack in freedom for their selves (Deneulin, 2006).

Sen states that actions effect on the life a human being chooses to live. Individual lives are dependent and interconnected, but not in fusion. This means that ‘the intrinsic satisfactions that occur in a life must occur in an individual’s life, but in terms of causal connections, they depend on social interactions with others’ (Sen, 2002).

2.4.5. The CA and entrepreneurship
Ziegler proposes the capability innovation hypothesis. He argues that social innovation is ‘the carrying out of new combinations of capabilities’. This will influence doing and being, and establish effective links, which will become the core of a social innovation. So with combining capabilities, social entrepreneurs can establish effective social changes in a community (Ziegler, 2010).

An example is the provision of drinking water and sanitation facilities as a global human development challenge. This looks as a technical and economical challenge at first sight. But when you investigate the process, much money and technical capital is spent on projects without success. There is an entrepreneur in India, Gram Vikas, who offers drinking water and sanitation facilities for poor rural areas. He asks for a village assembly and a consensus of 100% of the village households before installing any facility. This way he asks for participation and links this with health and affiliation in the village. With this new combination of functionings he drives the drinking water and sanitation projects according to the capability innovation hypothesis (Ziegler, 2010).

2.4.6. Different views on the theory
After Sen launched his CA after 40 years of research lots of discussion followed. Amartya Sen argues that our evaluations and policies should focus on what people are able to do and be, on the quality of their life, and on removing obstacles in people’s lives so that they have more freedom to live the kind of life that, upon reflection, they have reason to value. Martha Nussbaum changed the direction of the CA a bit. She has used the CA as the foundation of her partial theory of justice. The difference of Sen and Nussbaum can be found in a number of issues. The discussion has led to improvement of the theory and to different branches of the theory. In these paragraphs three different views are described and evaluated in their practical use to measure development.

2.4.6.1. Sen
Sen was the first to state that people’s welfare has to be judged on capabilities, instead of the utilities which were used before by economists. He made clear that it is the well-being of each individual human being which matters and not the average sum
of the well-being of a population. His vision was to change the way of measuring development economics by focusing more on what people can do and could be, instead of the amount of money people have, since this is only means. The three foundational elements for his theory are: 1. Human well-being is assessed in terms of the ‘freedoms that people have reason to choose and value’; 2. Individuals are seen as the subjects of development and individual agency as central to promoting human well-being; 3. Political participation is considered as the way through which people can be agents of their own development.

Functionings reflect what people in a certain type of life have for aspects of living conditions or different achievements, while capabilities consist of the real opportunities people have to lead or achieve a certain type of life. Development therefore needs to be judged in terms of capabilities, since these are the constitutive elements of human well-being. Assessment of progress can be done by the enhancement of freedoms that people have.

People’s preferences are a bad guide according to Sen. He argues that preferences are adaptive. Hence they are the deficiency in subjective approaches of well-being. People that are oppressed often adapt to the situation they are in. They adapt their preferences to their situation. For example women that live in a sexist oppressive environment tend to have the opinion that women should not be educated, because they have internalized this belief. Sen’s CA values states of affairs with an intrinsic value, independent of whether they are desired by people’s subjective preferences. Things are not good because they are desired, but because they play a role in an objective conception of human flourishing.

Sen refuses to make a list of the most important capabilities: ‘The evaluation of capabilities does not have to be based upon a particular comprehensive conception that orders ways of life’ (Sen, 1992). He avoids to specify how to select and weigh capabilities, but speaks of ‘capabilities that people have reason to choose and value’, not specifying the reason that people might have to value certain capabilities more than others. He draws on his ideal of agency to argue that each group should select itself which weight, trade off, and sequence the capabilities should be selected and weighed with normative considerations, as agency, efficiency and stability. Sen therefore calls the CA ‘inescapably pluralist’ (Sen, 1999). The choice for capabilities that are relevant for evaluation need to be related to the underlying social concerns and values of a particular society.

What Sen also issues is that actions effect on the life a human being chooses to live. Individual lives are dependent and interconnected, but not in fusion. This means that ‘the intrinsic satisfactions that occur in a life must occur in an individual’s life, but in terms of causal connections, they depend on social interactions with others’ (Sen, 2002).
2.4.6.2. Evaluation Sen

Because Sen does not make a statement on what capabilities are important, and his approach does not unify all ethical concerns into a highest good, his theory opens the possibility for discussion which values are important for different contexts and therefore looks more suitable to use as an evaluative tool at first sight. The respective weight of normative issues needs to be established in the practical context of the Kenyan society.

Sen speaks of capabilities that people have reason to choose and value. The definition contains the danger that people might not always have good reasons to value certain capabilities or the wrong reason to not value certain capabilities. People often adapt their preferences from their social environment without investigating their own motives, an extreme example are the women in communities that are not emancipated who adapted the idea that a woman should not be educated and therefore do not aim for education themselves.

Alkire couples Sen’s pluralism with incompleteness (Alkire, 2002). Every different context needs new specification of what the valuable capabilities are, and there is no prescribed way to specify what these are. Sen argues that the fundamental and pragmatic reasons for the incompleteness of the CA is that the description of human well-being can only be fundamentally incomplete, even when it is possible to find a complete ordering of what constitutes human well-being, we could not identify it in practice. He thinks the CA, despite its incompleteness, has a cutting power, because it includes what is potentially valuable but also for what it excludes from the list of objects to be weighted as intrinsically important (Sen, 1992).

Sen believes that individual persons are able to be rational enough to resist social and moral pressure resulting from the group they are part of. In this research the Kenyan culture is shown not to meet this requirement, influence of social norms and other group-based processes have a significant influence on choices, perceptions and therefore eventually on well-being. In June 2012 the Daily Nation, a daily national newspaper, reports the story of an elderly lady that lives in a community that ignored her for several years. She had refused to take part in the rituals of her tribe’s, Luo’s, tradition of women inheritance. It means that when her husband died, she became the possession of another man. When she refused this, the whole community excluded her, not even other older women could understand where she got the idea to refuse to follow the traditions. The elderly lady is an example of an individual that follows her own social norms, but she had to pay them with a high price since the rest of the community did not want to interact with her any longer.

2.4.6.3. Nussbaum

Nussbaum’s aim was to develop a partial theory of justice. She does this in perspective of moral-legal-political philosophy to argue which political principles a government should guarantee to all its citizens through the constitution. In order to do so Nussbaum states a well-defined, universal list of ‘central human capabilities’ to institute in all constitutions. She stated these
as the capabilities that define what is required for meeting the basic demands of justice in any society in order to have humans that are able to live their lives in dignity. She argues that instead of making people function in a certain way, it is important to make them able to act in a certain way, since freedom is the most important characteristic for a human being. Therefore focus must be placed on giving people these opportunities and let them be free in deciding for themselves whether they take the opportunities or not. Nussbaum states her work as a justification and arguments for the constitutional principles that citizens have right to demand from their government (Robeyns, 2005).

The list Nussbaum developed with the ten central capabilities that define what is required for meeting basic demands of justice and live a human life in dignity (Nussbaum 2006):

1. **Life**: Being able to live to the end of a human life of normal length; not dying prematurely, or before one's life is so reduced as to be not worth living.
2. **Bodily Health**: Being able to have good health, including reproductive health; to be adequately nourished; to have adequate shelter.
3. **Bodily Integrity**: Being able to move freely from place to place; to be secure against violent assault, including sexual assault and domestic violence; having opportunities for sexual satisfaction and for choice in matters of reproduction.
4. **Senses, Imagination, and Thought**: Being able to use the senses, to imagine, think, and reason—and to do these things in a "truly human" way, a way informed and cultivated by an adequate education, including, but by no means limited to, literacy and basic mathematical and scientific training. Being able to use imagination and thought in connection with experiencing and producing works and events of one's own choice, religious, literary, musical, and so forth. Being able to use one's mind in ways protected by guarantees of freedom of expression with respect to both political and artistic speech, and freedom of religious exercise. Being able to have pleasurable experiences and to avoid non-beneficial pain.
5. **Emotions**: Being able to have attachments to things and people outside ourselves; to love those who love and care for us, to grieve at their absence; in general, to love, to grieve, to experience longing, gratitude, and justified anger. Not having one's emotional development blighted by fear and anxiety. (Supporting this capability means supporting forms of human association that can be shown to be crucial in their development.)
6. **Practical Reason**: Being able to form a conception of the good and to engage in critical reflection about the planning of one's life. (This entails protection for the liberty of conscience and religious observance.)
7. **Affiliation**:
   1. Being able to live with and toward others, to recognize and show concern for other humans, to engage in various forms of social interaction; to be able to imagine the situation of another. (Protecting this capability
means protecting institutions that constitute and nourish such forms of affiliation, and also protecting the freedom of assembly and political speech.)

2. Having the social bases of self-respect and non-humiliation: being able to be treated as a dignified being whose worth is equal to that of others. This entails provisions of non-discrimination on the basis of race, sex, sexual orientation, ethnicity, caste, religion, national origin and species.

8. Other Species: Being able to live with concern for and in relation to animals, plants, and the world of nature.

9. Play: Being able to laugh, to play, to enjoy recreational activities.

10. Control over one’s Environment:

   1. Political: Being able to participate effectively in political choices that govern one’s life; having the right of political participation, protections of free speech and association.

   2. Material: Being able to hold property (both land and movable goods), and having property rights on an equal basis with others; having the right to seek employment on an equal basis with others; having the freedom from unwarranted search and seizure. In work, being able to work as a human, exercising practical reason and entering into meaningful relationships of mutual recognition with other workers.

Because human life is universal by some fundamental characteristics, this list of central human capabilities establishes a normative political agenda. The list can serve the goal of assessment of policies. It provides a checklist to take all capabilities in account and make the policies meet up with the target to provide people with the conditions to live their human lives in freedom.

2.4.6.4. Evaluation of Nussbaum

Nussbaum’s CA ensures that each person is guaranteed the necessary conditions for human well-being. It allows for each person to act freely within each dimension of human life. She has also coupled these dimensions of human life to political obligations a state has. She links the central human capabilities to the constitutional rights. This coupling to governmental policies presupposes that there is a strong state which is able to guarantee the rights. When a government declares something a crime, it must also be able to provide the means to take cases of this crime to court and convict offenders. Hence a strong state is a necessity for a country before Nussbaum’s theory of the CA can be used for evaluation of development praxis.
The creation of the list is a universal concretization of human rights. This means that the list has to be universal without bias to any culture. Although the capabilities are very general, they testify the Western view Nussbaum has. Her Western background is notable when taking a thorough look at the capabilities and their explanation.

The list has a large emphasis on the individual, all capabilities are regarding one person and its ability to express and develop itself. The most important value that is encountered in Kenya is community feeling. Communities are represented in the capability of Affiliation in Nussbaum’s list, and because the community feeling is so strong, it contradicts with some of the other capabilities in the list. For example with Practical reason and The control over one’s life. With the strong communities it is not a person’s own decision to vote for anybody he or she wants. It is allowed to vote whoever you want as long as the candidate belongs to the same tribe. Next to that the belonging of goods is only a good thing in Kenya when the relatives own as much as you do. Otherwise, sharing the belonging with them is the only right way to go. The same goes for ‘practical reason’ this is a group process with the community, not an individual matter. When a person deviates from the community point of view, it is easier to keep this a secret in order to remain the position in the group.

Another problem that arises with Nussbaum’s list is that in particular contexts conflicts between capabilities turn up. As in the Kenyan culture a conflict arises between the two capabilities Bodily integrity and Affiliation. Most of the tribes have rites for adulthood. When a member of the tribe does not undergo these rituals he or she will not become an adult and will be excluded from the tribe or treated differently for the entire life. These rituals often involve circumcision in its different forms. For women it means that there is no pleasure or sometimes even terrible pain in their reproduction and sexual lives. On the other hand, when a woman decides not to have the circumcision, she is regarded as a not fully grown up woman and therefore not able to marry and live her life according to the normal manners of the tribe. She will be an outsider for the rest of her entire life, which is in opposition with the capability of affiliation. This conflict originates from the internal values of a culture. They cannot be changed by law immediately. To change the situation a shift in the culture is necessary; it is not possible to put these values as regulations in a constitution to create the change since the practices will go on in secret. Circumcisions are taking place in secrecy in Kenya these days and the situation is therefore not improved by illegalizing the practice.

The previous examples show us that the list of capabilities might not be universal as it looks at first sight. On the other hand, it is as universal as it is because the capabilities are general enough and maybe it is sufficient for analysis to fill them in for every new context that is encountered. The list can be used to make sure all aspects in life are evaluated. Instead of only processing a few capabilities that are obvious, the analysis is more valid when all aspects of the list are at least considered. Thus, it can be used as a diagnostic tool to examine the overall social impact of an initiative for change.
As a final remark, stating a list this way implicates that all of these human capabilities are conceived as equally fundamental to each human life. There is no tool to compare the relevance of mutual capabilities, which makes normative comparison between situations difficult.

2.4.6.5. Deneulin

Deneulin (2006) argues that the CA needs expansion of its theoretical foundations when it is used to guide and evaluate development praxis.

One of the aspects that need to be included is the political process that is the basis of policy-making. The translation of economic opportunities into social opportunities is a political process that is not stated in Sen’s theory description, but recognized, even by Sen himself, to have influence on the CA to development theory. Deneulin argues that the CA needs incorporation of the consequences of political and conflictual aspects for its theoretical foundations.

Sen’s CA evaluates on the freedoms that people have reason to choose and value. When the Human Development Reports assesses successes and failures they actually did not look at the capability to achieve functionings, but to the functionings themselves. For example, when looking at nutrition, the nourishment is assessed through malnutrition statistics. This is not about the freedom of the people to be adequately fed, hence the CA theory to development is not used in the way it was meant to be used. Deneulin argues that the CA theory transforms when it is used as an inspiration for development praxis. Her solution is to combine the international development goals (also known as the Millennium Development Goals) and Nussbaum’s list of central freedoms. She sees this as a pragmatic option to respond to the incompleteness of Sen’s CA that is always open for revision. The absence of clearness of what is ‘good’ in a human life is not sufficient to use the theory for political action or development praxis. The CA ‘needs to be equipped with an account of the fulfilment towards which human action is oriented’ according to her, so freedom can be seen as a component among the others and less as a choice but more as a reached state of being and doing (Deneullin, 2006).

Deneulin argues that both individual and socio-historical agency are central concepts for the CA with regard to human deprivations. To establish a self, a community in which one has relations with other persons is a prerequisite. Development of a self is in its turn necessary before an agent is gifted with the capability of making autonomous choices. This means that community is pre-existent to individuals. And community and affiliation links are preconditions for the ability of a person to come up with the achievements he or she values. A person’s capacity of choice develops in the structures of the community of which one lives. A person becomes a self through history and interaction with other persons. This way social norms, identity, and compassion are shaped by specific structures in socio-historical communities. Motivations that are inherent to a certain society are part of this society’s values. They are shaped by different actors, through interactions, and the degree of
power actors have. In the process of democratic practice the values around which the society is built are shaped. Hence, Deneulin’s theory on the CA includes the socio-historical context of a community as an indispensable part of the theory.

In order to remove barriers to freedom participation in public debate is considered an important tool in the CA. Democratic decision making and promotion of other human freedoms are not always positively linked in practice. According to Deneulin the evaluation of the CA for human well-being needs to be consequently supplemented with an evaluation that assesses the exercise of political freedoms.

2.4.6.6. Evaluation Deneulin

Socio-historical agency has a central role in the development of human well-being and it is hard to use the CA without socio-historical facts and still make clear what processes countries went through that have successfully developed human freedoms. Deneulin has taken socio-historical processes up into her theory to identify the relations in a community and the social norms that are of value in a community.

Decisions are always made according to underlying values in a society. Development theory has effect on a country’s values and the way Sen has theoretically framed his approach is therefore a matter of direct practical implication. Deneulin proposes an evaluation of the execution of political freedom next to the evaluation of the CA for human well-being. This marks the path dependency of the CA following Deneulin, since every new step is made after analyzing the previous.

2.4.7. Summary

The CA is a broad theory of thoughts consisting of functionings and capabilities and with different views of scientific researchers of how the theory should be applied. Nussbaum wants to establish a moral-legal-political philosophy to discuss the political principles a government should argue about that they should guarantee to their people through the constitution. With this Nussbaum puts emphasis on the role the government has in re-dividing inequalities. This differs from Sen’s view of the CA that is broader and focuses on real and effective opportunities in all layers of the economy.

Difficult parts of the CA are, firstly, that it involves judgment of values. Realization of values also differs between cultures and to distinguish these and judge their respective weight comes with a large risk factor for making mistakes. Secondly, the CA is sometimes said to be too individualistic. While others argue that looking at individuals does not deny the social interaction between people and looking at ethical individualism can include the social connections people have.

Ziegler comes up with a theory that connects the CA with entrepreneurship, the capability innovation hypothesis. He states that carrying out of new combinations of capabilities influences people in what they stand for and how they will act. This can
establish effective links that can become the core of a social innovation. Via this way social entrepreneurs can establish effective social changes in a community by linking the right capabilities and transfer this combination to the people.

The views of Sen, Nussbaum and Deneulin are described and evaluated. Sen has started the discussion, but his theory is so broad that the only cutting power it offers for this research is the distinction between ends and means and since the goal is to evaluate a development it provides insufficient grip. Nussbaum’s list provides a more practical framework, although the list is not completely universal. That capabilities can conflict with each other in certain matters needs to be taken into account when applied.

In this research the Kenyan culture is shown not to meet the requirement that individuals are rational enough to resist social and moral pressure resulting from the group they are part of. Influence of social norms and other group-based processes have a significant effect on choices, perceptions and therefore eventually on well-being. Deneulin proposes an evaluation of the execution of political freedom next to the evaluation of the CA for human well-being. Her view is applied in this research. The cultural and political environments are analyzed next to the evaluation of the capabilities on the hand of Nussbaum’s list.
3. Methodology

The methods that are used to find answers to the research questions are described in this chapter. During the fieldwork observations were done in 35 different companies and organizations, with cooperating in 4 companies for one or multiple days and performing case studies spread over the months of the research in Kenya. Next to the case studies interviews are held with different actors in the field. The topic list for the interviews is stated and explained in the fourth section.

3.1. Case studies

Four different companies are the subject of case studies for this research. These companies – Wananchi Canvas Ltd., Ubbink, Sunray’s Solar and Ecosandals – are visited for one or multiple days and when possible the researcher cooperated in company practices. It made participant observation possible, next to the direct observations, which gave thorough insight in the organizations and in the management of the different projects. This background knowledge made analysis of other projects where only interviewing was possible more easily.

The validity and reliability of the case studies is enhanced by following certain procedures. Firstly, all interviews are, next to taking notes, recorded and transcribed later to minimize errors in processing the information of the interviewees. Secondly, the case studies are compared with each other and patterns are, when present, distinguished. Next to that, the companies are mostly visited multiple times spread over the beginning and the end of the stay in Kenya, to include a period of time and see the developments in the companies during the three months. The reliability is enhanced by using the same initial set of questions for the interviews.

3.2. Interviews

The interviews are held with Kenyan entrepreneurs, Western entrepreneurs in Kenya, with experts in the subject from universities, and with people from institutions that play a role in institution building around entrepreneurship. The interviews are performed in a semi-structured way with the use of a topic list, stated below. This way of interviewing lets the conversation go as natural as possible without missing out on important subjects, and leaves room for input of the interviewee. Interviewee input can be very useful to broaden the researcher’s view. Especially in this situation, where the researcher is not that familiar with the country and culture, it is possible to gain interesting insights from the local people with this open way of having conversations.
When an interview pointed the researcher in a particular direction, this new direction was also explored and in some cases the subject integrated in the interviews that followed.

The interview protocol focused on getting reliable data from the interviewee. To increase reliability important information is often double-checked during the interviews by asking the same question differently formulated. Data source triangulation is applied to increase the validity of the information by asking the same questions to multiple interviewees.

To begin with the research started off with convenience sampling, since the network in Kenya only consisted of a few openings. While establishing a network, all available opportunities to gather data were used. At the same time some judgement sampling was done with connections to well-performing companies that were established via LinkedIn for the first few interviews before travelling to Kenya.

When the fieldwork started the research continued with snowball sampling, which is useful for this research since a broad range of samples can be used for the subject of this research. During the fieldwork is monitored whether the gathered data came sufficiently from different points of view on entrepreneurship, which means that data comes from businesses, but also from knowledge institutions and experts in the field.

### 3.3. Literature Study

Studied literature consists of scientific journals, books, local newspapers and websites. Websites and local news helped to gain insight in what is going on among the Kenyan people. This data is predominantly used to support the cultural analysis.

### 3.4. Topic List

The topics for the semi-structured interviews were thought off in advance in order to have a preliminary view on what subjects are important to treat during the conversation. The extended topic list that was established before the research started is stated in Table 1. Later during the gathering of data, a selection of topics that where the most relevant was prepared for every individual interview.

#### Table 1. Topics and questions for the interviews

<table>
<thead>
<tr>
<th>The primary production process</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product</strong></td>
</tr>
<tr>
<td>What is the goal of your company?</td>
</tr>
<tr>
<td>How long are you in business?</td>
</tr>
<tr>
<td>How did you get the idea to begin this business and how did it evolve?</td>
</tr>
<tr>
<td>Employees</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
</tbody>
</table>
| Technique         | What kind of machinery do you use?  
|                   | Is there somebody in charge of machinery maintenance?  
|                   | When do you purchase a new technique?  
|                   | Do the machines bear risks? |
| Differentiation factor | What is the vision for your company? |

The market

<table>
<thead>
<tr>
<th>Key activities</th>
<th>What are key activities of your enterprise?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key resources</td>
<td>What are the most important resources?</td>
</tr>
</tbody>
</table>
| Key partners        | Who are your suppliers?  
|                     | Do you have special arrangements for your enterprise with a specific supplier?  
|                     | How do you communicate with them? (Email, Tel, MtoM)  
|                     | What do you do when the supply is not completely in order?  
|                     | How are appointment kept between partners? Is it common to communicate when an appointment is not possible to keep?  
|                     | Is there loyalty? Or is looking for other optional partners allowed?  
|                     | Do you think you get fair prices?  
|                     | Who carries the responsibility to ensure that things go well between you and your supplier? |

Value

<table>
<thead>
<tr>
<th>What is a typical company success?</th>
</tr>
</thead>
<tbody>
<tr>
<td>How does your product fit your customer?</td>
</tr>
<tr>
<td>Is this an idea that the company thought of or was it a known/found customer demand?</td>
</tr>
</tbody>
</table>

Customers

<table>
<thead>
<tr>
<th>Who are your customers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>How do you find your customers?</td>
</tr>
<tr>
<td>How do you market your products?</td>
</tr>
</tbody>
</table>

Customer relations

<table>
<thead>
<tr>
<th>How do you treat your customers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is your specific customer profile?</td>
</tr>
<tr>
<td>Do you maintenance service after purchase?</td>
</tr>
<tr>
<td>Do you have mechanisms of getting customer feedbacks concerning your goods?</td>
</tr>
<tr>
<td>What do you do to keep a customer coming back to you?</td>
</tr>
</tbody>
</table>
| Distribution channels | Where do you sell your products?  
| | How do you transport products?  
| Model for earnings | Did you have to take a loan to start your business?  
| | Is it hard to get a loan? Did you need collateral?  
| | What is the model for your earnings? (costs & revenues)  
| | Did you receive any other financial help as a start up? (subsidies, other aid)  

| The management model and style | Power distance  
| | How is the hierarchy in the company? (Supervisors, Departments, Functions)  
| | Who is responsible for what?  
| | How is the interaction between departments/functions/roles?  
| | Do employees just do what they are told by a manager or is discussion possible?  
| | What happens when a mistake is made? (Is it reported? To who?)  
| | What are the sanctions for making a mistake?  
| | Do employees discuss among each other what they cannot discuss with manager?  
| | Is there complete freedom of speech among employees?  
| | What is the extent of loyalty to each other?  
| Individualism/Collectivism | Are there groupings amongst the employees?  
| | Where do employees come from?  
| | Same tribe/different tribes?  
| | Same region/different regions?  
| | Are new insights of an employee welcome or denied by the team?  
| Masculinity/ Femininity | How is the man/woman division in the company?  
| | Do male and female fulfil particular roles in the company?  
| Uncertainty avoidance | What are company regulations? (written&unwritten)  
| | How strictly are these regulations followed?  
| | Are working conditions safe? Is there a caretaker for safety?  
| | Are employees trained for calamities?  
| | Is there any social security contracted?  
| | Do you invest for further company growth?  

<table>
<thead>
<tr>
<th>Framework</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long term/Short term orientation</strong></td>
<td>How do you take the risks involving these investments?  When do the employees get their salary? (monthly, weekly)  Are employees paid a fixed salary or per delivered product?  How are salaries and secondary conditions determined?  Does the company work with targets?  Does the company work with bonuses?  Who makes a planning for the company?  Is the planning being kept? Who ensures that this actually happens?  Is there a long term view for the company?  Are there investments involved with this?  Do the employees attend work day after getting paid?  Are employees usually on time? Day planning?</td>
</tr>
<tr>
<td><strong>Universalism/Particularism</strong></td>
<td>How are employees selected? What criteria?  Are there relatives working in the company?  Are there rules/regulations from the government for the company?  Is it important to know well-connected people in order to get the work documents (for example permits &amp; licences) that the company needs?</td>
</tr>
<tr>
<td><strong>Individualism/Communitarism</strong></td>
<td>same as above (Individualism/Collectivism)</td>
</tr>
<tr>
<td><strong>Neutral/ Affective expression of emotion</strong></td>
<td>To be observed, not questioned.</td>
</tr>
<tr>
<td><strong>Specific/ Diffuse involvement</strong></td>
<td>Do employees come together in their private time? Are they friends?  Are employees aware of each other’s private situation?  What do you want to know of a business partner before deals are discussed? Are there topics you always want to know of a person in order to have trust?</td>
</tr>
<tr>
<td><strong>Achieved/Ascribed Status</strong></td>
<td>How do you grow in the company?  What are requirements to perform certain functions?</td>
</tr>
<tr>
<td><strong>Sequential/Synchronous Time</strong></td>
<td>Are there strict regulations regarding punctuality?  Does the company have strict working hours?  Is there a day planning for the work?</td>
</tr>
<tr>
<td><strong>Internal (fatalism)/External (voluntarism) Control</strong></td>
<td>Are employees encouraged to make their own initiatives?  Do these employees get feedback on their initiatives?</td>
</tr>
<tr>
<td>Influence of the social surroundings</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Governmental Regulations</strong></td>
<td>Are there governmental regulations for enterprise?</td>
</tr>
<tr>
<td></td>
<td>Do you think the market would benefit from such regulations (as for example quality standards)?</td>
</tr>
<tr>
<td><strong>Religion</strong></td>
<td>Does church or religion influence any company practices?</td>
</tr>
<tr>
<td></td>
<td>Are there religious practices performed in the company?</td>
</tr>
<tr>
<td><strong>Traditions</strong></td>
<td>Are there African traditional practices visible in company? (asked when appropriate or observe)</td>
</tr>
<tr>
<td><strong>Sectorial cooperation</strong></td>
<td>Is there any cooperation between various actors going on in the sector?</td>
</tr>
<tr>
<td></td>
<td>Do/ Would you think that cooperation between competitors is a good thing for the market?</td>
</tr>
<tr>
<td></td>
<td>Why yes/no?</td>
</tr>
<tr>
<td><strong>Interruption of a civil society</strong></td>
<td>Is it possible/easy for a Kenyan to succeed outside his or her own community?</td>
</tr>
<tr>
<td></td>
<td>Do communities also stifle growth for their enterprising members?</td>
</tr>
<tr>
<td></td>
<td>Do you cooperate with companies in your sector or are you only competition?</td>
</tr>
<tr>
<td></td>
<td>Do you believe all Kenyans have equal chances to do business everywhere in the country?</td>
</tr>
</tbody>
</table>

| Barriers                                                      | What is the main barrier for the growth of your company?        |

<table>
<thead>
<tr>
<th>Transition strategy</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Training &amp; Education</strong></td>
<td>Does the company provide special training programs for management/employees?</td>
</tr>
<tr>
<td></td>
<td>What is the format and what is the goal &amp; purpose?</td>
</tr>
<tr>
<td><strong>Learning processes</strong></td>
<td>Do employees have the opportunity to climb in the hierarchy of the company?</td>
</tr>
<tr>
<td></td>
<td>Does the company try to change existing patterns of ethnic groups not getting along or other social patterns?</td>
</tr>
<tr>
<td></td>
<td>Do employees have a voice in company policy? How?</td>
</tr>
<tr>
<td><strong>Attitude formation</strong></td>
<td>What do new employees that enter the company have to learn about the company?</td>
</tr>
<tr>
<td></td>
<td>Is the manager able to share the company vision with employees?</td>
</tr>
</tbody>
</table>
| Influence of old tribal issues | Does the company have any policy with regard to tribal issues?  
|                              | (Is it allowed to speak in tribal languages? (vernacular)/What language is spoken in the company?)  
|                              | Is an interviewee asked which tribe he/she originates from? |
| Influence of colonial systems | Do employees show own initiative?  
|                              | If yes, is this valued/praised?  
|                              | Are there strict prescriptions how things should be done?  
|                              | Is there room for uncertainty of the employees?  
|                              | Is there a mechanism in company structure to overcome the problems that come with uncertainty?  
|                              | What do you think were the effects of colonialism to the Kenyan economy?  
|                              | Do you have a feeling that certain things are done as vestiges of colonialism and they could be done differently? |
4. Analysis

This chapter describes the findings that are gathered during the fieldwork with regard to the theoretical framework. The results are presented on the basis of examples from the interviews and observations that are done in Kenya.

The first paragraph is a description of the Kenyan culture in the cultural dimensions Trompenaars and Hofstede defined. These are made more tangible with examples of companies that are visited during the fieldwork, and explained from this dimensions how civil society is build up till now.

The second paragraph elaborates on civil society and the realization of civil society in the country. The third part describes the state of entrepreneurship as it was analyzed during the field research.

4.1. Kenyan Culture

In the first section of this paragraph the characteristics of Kenyan culture are defined following the models Hofstede and Trompenaars have provided. The second part shows examples from practice in four case studies of companies that participated in the field research. The final section elaborates on the findings of the field research and provides an overview in the results.

4.1.1. Cultural Analysis

In this paragraph the two theories of Hofstede and Trompenaars are used to explain the current situation of the Kenyan culture. The dimensions are briefly repeated and how they were perceived during the interviews with the Kenyan people and experts.

4.1.1.1. Cultural dimensions Hofstede

1. (In)equality – Power distance.
   This is about the level of hierarchy present in institutions or organizations and whether the people expect and accept that power is divided unequally.

The tribal traditions are hierarchical. The chiefs have the power in the end, although social structures to get to know other member’s opinion is mostly present. In most tribes there is a hierarchical structure that divides the power or avoids misuse of
power. For example in the Masaii tribe the elderly sit in the meeting, but do not take part of the discussion until the final decision is made. At the end the elderly can veto the decision.

The Kenyan political structure is very hierarchical with many layers. As we speak the politicians in Kenya are establishing a new constitution to overcome the tribal differences and corruption in the country, and again this new constitution is with hierarchical layers. With the new constitution there will be a shift in power distance. The people from a state can choose their own governor. This means a more local leader that will be the voice of the state. This means for the power distance that it is getting smaller.

In companies it is necessary to listen to the management; in the well-functioning firms not behaving according to the company policies will be sanctioned. Own initiative and suggestions are as well valued and feed backed with a bonus or promotion. This is shown in the interview with Haijo Kuper from Ubbink, but also in the company Sunray’s Solar of Caxton Munyoki, which is a real Kenyan company.

Many of the people I speak with that own their own company used to work at a similar company. This was the case with George Omego’s canvas company, Charles the woodworker, Caxton Munyoki, and more. When they had learnt what they needed to know in the enterprise they worked for, they quitted their jobs and started their own spin off.s. Next to a strong hierarchy, money is key in this, everybody thinks that the boss earns much more than the employees. The employees also feel like they can do the same thing as their boss since his job does not require special skills, which is sometimes true and other times turns out to be untrue. This phenomenon is a kind of protest against the hierarchical structure.

Most managers I speak with have weekly meetings with their employees to discuss the company business. This way they keep in touch with the private situations of the employees and know what is going on in the work floor.

Corruption is still widely spread in Kenya. It is also a form of power distance. Power that a person gains by the position he is in. Through the large bureaucratic apparatus in the country the corruption is kept alive. At all desks it is possible to have people work faster for you when you bribe them. This is evaluated over the years to desks that only start functioning when they get an amount of money. These days corruption is more visible in the media and judged by the society. In the time of the research a large scandal of corruption is revealed whereby the money of taxpayers that was meant for a national health insurance funds was distributed mostly to ‘private clinics’. These ‘private clinics’ were ownership of members of parliament and eventually turned out to not even exist at all. It is a step in the good direction that the issue of corruption is made visible on national television. It shows that a transition to an honest, more equal society is going on.
2. **Individualism - Collectivism**

An individualistic society is one with loose bonds. Every person is part of a community of family and friends that determine for a large part how one thinks and acts. A collectivistic society has all people as part of a close community. These groups offer lifelong protection and individuals have unchallenged loyalty towards their community.

Kenyan society is a very collectivistic society following from the tribal communities of the past. Communities are very important and all persons are very connected to their families. Families provide each member with money and daily needs when necessary and take care of each other. ‘Family’ does not only mean relatives but also consists of friends of the family members. A friend from your father is as well called father. For example Peter Mwaniki (interview 15), a friend of Eva Koich’s family (interview 14), paid for Eva’s school and university books. Mercy (interview 13) pays the school fees for her brother, or buys things for her sister when she has some spare money and her father does not.

In business the discussion is held a lot amongst the youngsters whether to employ your relatives in your own enterprise or not. From cultural perspective this would be normal since it is your duty to take care of the whole community. But nowadays the negative aspects of this structure are also spoken off. It is hard to distinguish business and family life. You have less control over somebody that is your relative, because he or she has some kind of privileged place in the company. When a family member in the company gets sick you have to take really good care of him or her and that might cost you a lot of money more than when it was somebody less close to you who you could treat a lot worse. This used to be the other way, when a family member steals from you it did not matter since the money stayed in the community. Nowadays business is changing to more individualistic ways.

One of the problems of collectivistic thinking is visible when the roads are destroyed by the rain. In a collectivistic society you would positively expect that everybody would cooperate to renew the roads in order to use them again. Nothing is less true. Why would I make it for everybody when somebody else can also do it, is the normal way of thinking. Ndegwah tells me that only when the problem is unbearable action is undertaken by a few people. This system is demonstrated during the months of my visit; the roads are flushed away by the rain and not until people have to jump from rock to rock at certain places action is undertaken.

This implicates a view on public space that is different than the view in Western culture. Public space is no one’s land; a result of not being part of the in-group is being outside the group. In Western civilization the groups that exist are more open. Public spaces are therefore part of the open group space and belong to everybody, in contrast to nobody.
Kenyans in the city all call the place where their families are from ‘home’. Even when they are not born there and never lived in the village. More and more people are moving to Nairobi to look for a job. It is therefore very hard to find one and it is a harsh place to live for the majority of the inhabitants.

Business is becoming more individualistic. This can be the result of urbanization, where life is getting so hard that the people are unable to take care of the whole family. However, the Kenyan in Nairobi still tends to take care of relatives as soon as it is possible to do so.

3. Masculinity – Femininity

A masculine society is one with separated roles for the genders. Men are assertive, hard and focused on material success. Women are humble, tender and focusing on the quality of existence. A feminine society is one with overlapping roles for the genders. Both men and women are more focused on the quality of existence in this society.

Women play an important role in the society. Although men are still dominating politics and top management more and more women are entering that world. The ladies play a role in the management team or are very much valued support for the manager and company and treated with a lot of respect by the men. This is visible in Norah’s part in Wananchi Canvas Ltd. where she plays some kind of mother role for the employees and the manager George really depends on her work for the company and bond with the employees.

The respect is also visible in the way Josphat Kariuki (interview 20) treats the lady he hired to run the CBO (community based organization). He is very polite and respectful to her. On the other hand, she does have to leave the room she is sitting in so Josphat and I can have our meeting there.

Also in politics there are two ladies participating in elections. Although one of them is very good, it is known that she will definitely not make it to win the elections.

Caxton Munyoki says women are indeed gaining terrain in business and in top functions in the country, but it is evolving very slowly and they have a long way to go. The reason he gives is that men are quite chauvinistic and discourage women to excel. The women themselves also have this barrier of their imprinted vision of the role they have had for years in society and sometimes do not see it as a possibility to have a, in their eyes, ‘male function’.
In summary, can be said that the Kenyan society is quite masculine, with separate roles for men and women, although men do depend strongly on the women.

4. **Uncertainty avoidance**

Uncertainty avoidance is the level to which members of a certain culture feel threatened by uncertain or unknown situations. Do people dare to come out of their safety zone or will they rather play things safe?

Playing safe is visible in the copying behaviour in business. Most start-ups copy what their neighbour is doing, or are spin offs of a similar business. For example Wanangi Canvas is created by George because of his experience in working for another European canvas company (Sandstorm). The men and women he has trained most of the time also started their own companies. They have even stolen his customers, since they were keeping contact with these customers while George was trying to find new ones.

Josaphat Kariuki, EFWES, and Caxton Munyoki, Sunrays Solar, both claim to have employees that tried to make a business like theirs, but did not succeed. The investment in renewable energy products is very large when you want to do it right from the start which is according to Caxton why many start-ups fail. Another person that tells about the copying behaviour is Julie, from Julie’s Coffee shop, she did something unique for the people in Nyeri and started the first coffee shop there. She thinks the Kenyans are not very creative and innovative and therefore do as others do when these others have successful businesses. (This has a link to short term orientation, next paragraph). It is also possible that the Kenyan prefers staying in the comfort zone, even when they come up with new ideas. When another person has tried something before, you will not encounter surprises no one has dealt with before.

Another reason can be the “we-feeling”. When a person relates to another one he or she also feels comfortable in performing the same profession as the person. Because of the shared past it is safe to have a shared future as well.

5. **Long term orientation - Short term orientation**

With a long term orientation society is willing to strive to a certain goal in the future with persistence and perseverance. People need to live the right life today to secure a good future. When a society has a short term orientation pursuing virtues is focused on present and past. A person wants to live a good life today, because there might be no tomorrow.
The Africans are famous for their short term orientation. This is indeed visible in the copying of businesses when you see a successful neighbour and do exactly what he does without thinking about the longer term consequences of stealing each other’s customers or that the market will be saturated. It makes the two competitors of each other and when the whole neighbourhood starts to do the same thing nobody can be profitable. This is an insight that is most of the time not understood by Kenyans – with some exceptions like Julie, Julie’s Coffee shop (interview 16), or Josphat Kariuki, EFWES (interview 20).

Another long term orientation is family planning that used to be lacking in most families. Or that is to say, the planning was to make as much children as possible to provide safety for the old-day of the parents. That all children were to be taken care of and school fees had to be paid was a second think step that was not taken in most families. It was also a sign of being a good fertile man when much offspring was produced, which was also a reason to do the upper best. Peter Mwaniki says he still holds on to that idea and therefore has six children. Nowadays, most young families do not want more children than they can pay secondary school fees and university for (primary school is paid by the government). This means two or three children are more feasible for most families than breeding to the maximum. This incentive given by the education system shows how much the people value education these days.

4.1.1.2. Cultural dimension Trompenaars

1. Universalistic – Particularistic

In a universalistic culture everybody is treated equal through application of general regulations. In a particularistic culture relations and conditions influence actions, not regulation. Maintenance of relationships goes above rules in this society.

The Kenyan society is very particularistic. Although much discussed, and sometimes denied, the tribal issues play a large role in selecting people for the inner circles or in politics. Voting is something you still do not do for a leader that is not from your own tribe. It does not mean that people are against other tribes, they are most of the time just more comfortable with people and habits from their own tribes.

In businesses there are stories of companies consisting of people from only one tribe, like George Wanangi, stories about letting different tribes fulfil particular functions, examples of as much mixing as possible, Ubbink, examples of looking at quality instead of tribe, Sunray Solar & Josphat Kariuki. All tribes are still generalized and characterized by certain features, which are often used in humor. Some tribes are more susceptible to make fun off, like the Kamba’s from the coast that are
said to be so lazy that they are an easy prey for jokes and the Masai that are a minority group and stick to their own traditions of keeping cattle to the extent of walking their cattle next to the roads in Nairobi.

With applying for a job it is still useful to know the right people. This is a grey area, since it is a thin line of knowing somebody that can perform the job and be sure that he or she can do it right. This also happens in the western society that is most of the time universalistic. In Kenya it is more particularistic, relations are important to have and jobs are more easily given to a familiar person. This brings us back to the discussion of employing people from the community or family members. There is a shift going on and a balance in this is not established.

Having relations with the government is still very important in doing business in Kenya. The government is still privileged since the people in the government can spend the tax money, which makes them able to make your business flourish and grow. People from government are also known to have a lot of money themselves, because of their large salaries. This makes them very influential in business. This makes the society more particularistic, not everybody has access to these influential people and when you do you can really benefit from them. An example is Josphat Kariuki’s enterprise. He makes deals with different ministries in the government. His products fit some of the goals these departments want to establish and the government subsidizes people that buy Kariuki’s product, which means that he is indirectly paid by the government. For example the ministry of wildlife has given money to people living in some national parks to buy his energy saving cook stoves, because they were chopping too many trees and were influencing climate change.

Regulations and policies have become less for businesses according to Tito Arunga from SNV. Before start-ups were not able to make it, because they could not survive the first years in which they did not make any profit but had to renew licenses every year for high costs. Eliminating these licenses helped contributing to a less particularistic business environment, because there were off course businesses that did not have to have as many licenses as others because they had the right connections. Now the environment is more equal.

The control on working conditions is not the same for every company. Large businesses as for example Ubbink are checked while others, for example Wananchi Canvas, are never visited by controlling officers. Ecosandals had to move out of their workplace while they are near a slum where working conditions are without doubt less good than in their previous workplace. Of course it is impossible for authorities to perform checks inside the slums. Ecosandals is not large but has a market overseas and is therefore maybe an enterprise that is more notable than others.
The new constitution that is being established these days can contribute to a more universalistic and equal country. The rules of voting are adapted and fit the largeness of the country better with more different voting districts and chiefs and district officers that are chosen by election.

2. **Individualism – Communitarism**
   This dimension is the balance between putting an individual above the community, or the other way around. In a community culture a person is firstly part of the community and prefers the collective interests before his or her own.

Same as point 2 of paragraph 4.1.1.1 Hofstede’s Dimensions.

3. **Neutral – Affective**
   An affective culture shows extensive emotions. Showing thoughts and emotions is considered normal. In a neutral culture it is valued to hide emotions.

This dimension is very debatable for the Kenyan culture. From origin emotions were very much shown in celebrations, songs and dances. Events and happenings where celebrated and lived through with the whole community.

What is visible on the streets nowadays are very straight faces with almost no emotions. The way to get into public transport, the matatu’s which are mini-vans, is through pretending you do not want to get in a van with the most neutral face you possess. In the street many very poor people are to be seen and everybody passes with a straight face.

Kenya’s public life is therefore very clear to be neutral and not affective. It is not common to show others your emotions and behave different than the other people. This can be a result of the hard life in the city, but also in rural places people do not show emotions to others a lot. Poverty is all over Kenya which makes a distinction between city and rural side difficult. The neutrality can also result from the collectivism in the country. Showing own emotions is a way of standing out from the group or the other way around, showing emotions is something you only do towards your in-group.

Sometimes when there are groupings together the people are laughing and telling jokes. This goes with loud laughs and exuberant movement, a real contrast. People tend to talk to each other with lots of humor and making fun of each other. This is the way of interacting in groups, which testifies of the second possibility that showing emotions only happens towards the in-group to the people a person can trust, and not out in the open where others can observe them.
When things go wrong it is also common to give a smile. An example was climbing the Mount Kenya with a not expected icy and slippery peak, made the guides produce a large smile on their faces which was in hindsight because they were also caught by surprise that the situation was that bad.

4. **Specific – Diffuse**

This dimension means how far a person gets involved with other people’s life in certain relationships. Involvement can be specific as being only ‘valid’ in a specific area or can be very diffuse. For example a work relation of manager and employee is in a specific culture only valid on the work floor, and on the other hand in a diffuse culture the unequal work relation also counts for the private lives of the manager and the employee.

This dimension is changing with the shift of employing less family or community members. This would mean that the dimension will become more specific since the relation the employer has with its employees is strictly business. In doing business with others the diffuse patterns are to be seen clearly. Before business is done it is important to get to know each other. This has to do with trustworthiness. It is very hard to trust people in business and therefore necessary to get to know people or move to a person via a mutual connection. It takes a longer time before a trust bond can be established when people are not direct. In Kenya it is allowed to try to make use of others, trying to get more money is very common. This does not harm the relationship, but makes people start from a lower point on the scale of trustworthiness for others. This low point in trusting others may also be the result of the low self-esteem the average Kenyan has. When a person does not value itself, there is also no value to the person’s actions, and it does not matter how he or she behaves. It is only bad when the community finds out that a person has done something wrong. The community is a person’s consciousness. Self-reflection is therefore lacking and this might be a crucial point for developing ones personality. Learning is possible by making mistakes, but when mistakes are not recognized it is impossible to learn from them.

5. **Achieved - Ascribed status**

This is how a person obtains status. In some cultures status is a person’s achievement. In others it is also possible that a status is ascribed to the person by birth or a relation.

Successful businessmen earned their status with setting up their company. This is something you can see on their attitude and self-awareness. They often have sad stories about how poor their childhood was, which can be true or adjusted a little bit.
There is still a culture of ascribed status by putting relatives in place of company, but this is shifting as described before in the discussion that is held by the youngster whether it is sensible to have your relatives work for you in the company. Ecosandals tries to avoid relatives in the teams to make sure that everybody is treated equally and no preferential treatment is possible.

Education is valued a lot, which indicates that people that went to university and established themselves in society are praised. These, mostly, men are the ‘heroes’ of society and looked up to. Especially in politics figures like these are visible. It indicates an appreciation of status by achievement.

Almost all businesses tell me that their key success is quality, while there are lots of bad quality products on the market. The products of the people I spoke with were probably not all the best in quality, but it is understood that quality sells better. This is not an incentive by itself to produce higher quality products, but to ascribe this value to the products.

Alan, Eco Fuels Kenya Ltd. (interview 23), tells me he started working in the company by using all the machines for one week. He wanted to know how the machines are handled and for how long one can work on the particular work spots physically. This way he really knows what he is talking about when he asks his employees to operate in a way and he is always open for discussion and improvement coming from the employees. He worked to achieve his status, not in this company, but he shows in this company what competences he has and how he tries to improve the production process in efficiency.

### 6. Sequential – Synchronous Time

This dimension is about how a society manages time. In a sequential society time is linear and consists of a sequence of events. In a synchronic society time is cyclical. Past, present and future are intertwined with each other.

Punctuality is a ‘tricky’ point. Some companies manage by being very strict, for example Ubbink and Sunrays Solar which both give out one warning and the second time you are out, and others try unsuccessfully. Alan addresses the employees in his biofuel factory when they are late and make a mistake. They do not like it at the moment they are told, but also do not seem to learn from the mistakes made.

Alan was very surprised when he entered the factory because there was an incredible lack of efficiency in the production process. One machine was able to work four times as quick as others, which caused it to work for an hour and stop for three hours. He is now trying to teach how the process can be made efficient, since this is the way to make profit with the factory, but he finds there are barriers of understanding of efficient processes and thinking in subsequent steps.
Hourly payment is not a good incentive to work properly in Kenyan culture. The hours that are worked do not matter, since a lot of time is spent watching each other work and doing nothing. Therefore, payment per delivered product or when a certain target is reached is much more effective. This is related to the value people have for the work itself, which differs from the Western culture in the way that in the West the labour by itself is valued and is aimed to be performed as well as possible. In Kenyan culture the labour serves the goal of getting paid and is therefore a means instead of an end and has no value on itself. Labour is a way to establish change and consequently used when a voluntaristic mindset is present to take initiatives and reach goals that are planned to be completed with subsequent steps. This planning is not visible in Kenyan culture; neither is the labour a value, which makes this chain of values in direction of an uncertain future, instead of a certain past not Kenyan. Kenyans know their old values and traditions and like to stay with the ‘safe’, familiar past, instead of changing things in a direction they do not know yet. An example is given by Caxton Munyoki that tells about employees deliberately performing badly in computer training, since they are suspicious what the computers will mean for them. Maybe they will lose their jobs. He says that good communication about what goal is served can help take away suspicion partly. Resistance to change is common especially when it is imposed top down, but frustrating computer training by deliberately pushing wrong buttons can be seen as another level of resistance. It shows the fear for the uncertain future.

7. **Internalism – Externalism**

Internalism and externalism is about the meaning a society grants to nature. An internalistic culture believes human can influence nature. In an externalistic culture human are a part of nature and are therefore not able to control it.

Initiative of employees is valued & rewarded in companies as Ubbink and Sunray’s solar. When an idea of an employee makes money or reduces costs this is valued and gratitude is shown by a bonus in money. This stimulates the employees to think along with the company’s goals and vision and helps to have all faces in the same direction.

In the bus I hear a commercial on the radio multiple times that encourages people to get involved in an education day for the people. The commercial asks to become more voluntaristic, especially with eye on the upcoming elections. The 4th of July a day is organized for the people by the people to learn more about their rights in democracy, and the obligations that come with them. It is important that the process to educate the voter is carried out properly so the voters get to know that they have an own voice and are allowed to decide from their own internal values.
The church tried to educate the people about the voting system, their rights and their obligations, but this was not well received by the government because there could be interference of interests.

In Kenya many people act according to the values of the church they visit. This is externalistic since it shows a resignation with the situation. An amusing example is shown in the lyrics of a popular song of this moment. The text is “Lord, please don’t let me cheat on my girlfriend. But when I do, please don’t let me get caught”. It shows that he cannot help the mistakes he makes; God needs to control his situation. It also directs back to the lack of self-reflection and the community serving as consciousness because ‘getting caught’ is even worse than the act itself.

Entrepreneurships in Kenya are often the most fatalistic example of voluntarism, because many initiatives are copied initiatives.

4.1.2. Case studies

In this part four case studies are described that provide examples from practice to give insight in the cultural dimensions. It is about four companies that differ in size and culture, show examples of the cultural dimensions and the transition that is going on in Kenya.

4.1.2.1. George Wanangi Canvas

George Omego (Interview 3) started a company in manufacturing canvas products. He learnt as much as he could about the business during his employment at Sandstorm, a European manufacturer of canvas products. He watched the process of the company and took his knowledge and some of the other employees of Sandstorm 15 years ago to start his own canvas business. He started with a workshop next to his house and the office in the living room of his house. George also offers training to new guys and girls that want to become canvas designers or tailors. They pay him 50.000 KSh (about 500 euro) for an education of 2 years, after half a year of training they get a little salary. George says he breaks even with doing it this way, he does not make a profit. He hopes that his students stay and work for him, but most of them start their own canvas company. Some even stole his customers away, because they were the ones building on the customer relations while George was out trying to find new ones.

There is one lady working in the office. This is Norah (Interview 5), she keeps track of all the work, appointments and finances of the firm. She also brings the workmen tea with milk and provides a listening ear when they have a problem. She is George’s right hand and fulfills a mediating role between George and the employees.
There is a hierarchy structure in the company; first come the manager and his secretary, then are the tailors, the cutters and the bonders. The tailors, bonders and cutters come in this order because of the hardness of the skills. Later it turns out that there is another person on the pay role, George’s wife Emily also receives a full time salary because she is registered as a manager. In reality Emily runs a hair salon and is not involved with the company in a daily basis otherwise than that she lives in the house attached to the office and workshop.

There are some fixed employees that come every day and some that George can call when they are wanted for a big assignment. One of the tailors is his nephew Fedric (Interview 4). He is a drunkard and is paid per hour. George helps him out, because he is a relative. All the other employees are also from the same tribe, they are all Luya. This is because George finds his new employees via others he trusts.

The business is not very successful. They are very proud that they are able to make anything that is made of canvas, but it is hard to distinguish where they are good at because of the broad market they target. The main practices during rainy season is fixing tents in safari camps and finding new customers.

The company has a loan at the bank, this is there from the beginning and the company is still paying back. There is no capital buffer. When a customer places an order he has to pay a down payment to make the company able to buy the materials. There are almost no materials in stock through the lack of capital. When the client does not want to pay the deposit George takes a loan at ‘friends’ in order to collect the money. This goes for the same or sometimes even higher rate as a bank’s loan, but that is harder to get and would take up too much time to get so he has no choice other than to do it this way. The lack of capital is also the reason why he cannot expand according to him, since it would take capital to invest.

When George has a large assignment he sometimes asks former students to help with it. There is still a little bit of cooperation between them, but when they do not need each other there is no contact. One of George’s employees also started a business on his own, but returned after the failure of his own firm. (Interview 32) He could not manufacture canvas products himself, but used to be a salesman. His business idea was to start a briefcase shop where people could buy their canvas products from him and he would give the assignment to a manufacturer. He wanted to start for himself, because he was not satisfied at Wanangi canvas. He thinks George could manage the place in a better way. He thought he could do it better and make more money when he would start for himself.

In the case of Wanangi Canvas Ltd. collectivism and community feeling is obviously visible. George takes care of people from his own tribe and is not making profit out of providing them training. He trusts people from his own community to come up with new employees, which are in there turn also from the same community, this way only Luo are taken up in the company. What George did, and most of his employees follow him in it, is copying the industry that he worked for when he started his
own business. This is an example of uncertainty avoidance in the way that you will only encounter problems that the company you copy also overcame, so no new paths need to be taken. Stealing the idea of the company and take your experience away from the company is not seen as a bad thing, but as a logical step. Here and in other examples we have seen that these spin offs not always succeed, because the new starters had actually no idea about the work their bosses did. The reason why the employees take off to start their own company is up for discussion, but often the person feels undervalued because recognition and acknowledgement from the manager for the job of the employee seems to lack in the perception of the employee. This could be because managers tend to boss their employees around and seem to forget to give positive feedback, as a result of the power distance that is present. When the employees feel so depreciated in their functions they can better try to start the same business for themselves than be bossed around by someone without any form of appreciation.

It is unbeneficial for employee satisfaction that George has his wife Emily on the pay role while she actually does not work for the company. She gets the ascribed status as manager, without doing a thing to reach this status. This form of particularism makes that the employees that work for a salary will become demotivated because someone else gets the same reward for doing nothing.

In the case of George his employees are able to start their own company and also seem to manage to steal his customers. This shows how important personal relations are, the interaction of the customer with the employees is worth more for the customer than their loyalty to the business they visit.

The company also shows the synchronic way of handling time. There is no tight schedule and no solid business model that provides the firm with a margin that can be saved and invested in growth of the company. This provides no realistic long term perspective and the situation seems like a never ending story to the people involved. The attitude towards this is fatalistic; with no capital no growth is possible. There is no plan to make capital, only when somebody from outside comes to donate money the company is able to grow in their perspective. It is not possible to do anything about the situation from within the company.

Another visible dimension that is shown very clear in the company is masculinity. There is one female working and she has a function for the company that is similar to a mother role. She keeps track of the agenda and finances, and tries to keep the peace by mediating between George and the employees, which carries out that the power distance is too large between George and his employees to function properly without her.
Caxton Munyoki’s Sunrays Solar

Caxton Munyoki (Interview 10 & 34) started Sunrays Solar four years ago after he identified a niche in the energy market. He started the company during his MBA and investigated the demand for renewable energy in Kenya during this period. Because of the high pricing and high expenses of the existing sources of power, there is a large market for renewable energy products. He found a group of investors in his network which gave him the capital to start the company. It is necessary to have a large amount of capital when you want to start in the renewable energy market according to him, because you have to have high quality products and have to deliver these from the very beginning. When you deliver bad quality products in this industry, the customer will tell this to many people and you will be out of business very quickly.

The solar panels are imported from Germany, Australia and China. Importing from China has a bad connotation in Kenya, since a lot of bad quality products are imported from this country. Caxton has agreements with his suppliers. They guarantee to deliver good quality products, and otherwise they compensate him. The quality of the brand is represented by the location of the head office in Adam’s Arcade in a better part of Nairobi and in the demands the dealers have to live up to in order to be allowed to sell Sunrays Solar products.

The business is managed by the board of directors, which consists of the shareholders. There are 6 shareholders involved including Caxton and his wife. Caxton himself is the executive chairman. He is not involved in the daily management, but makes sure he is around to assist the general manager which is a lady. There are four different management departments; HR, Finance, Technique, and Research. These are all working with targets that are premeditated at the start of every year. This annual target is broken down in quarters and subdivided to make a monthly, weekly and daily target. Every department has its own target. Everything is planned; the variances are kept and checked where targets are reached and where not by the managers of the departments. Everything is discussed with the board and the board gives direction.

One of the company successes are the high quality standards that Sunrays stands for. Caxton’s employees are all certified by the ERC (Electricity Regulatory Commission) after interviewing and training them. The employees are selected on their reaction on the newspaper advertisement the company distributes and interviews that are held. Caxton wants a mix of tribes, gender, and age, since this is the best for his company according to him. He wants no discrimination on tribe whatsoever. The only selection is on capability and enthusiasm.

The large security company G4S does the distribution of the products for Sunrays Solar. Caxton used to be the national chairman of the Kenyan security industry. Due to that, he has the contacts with G4S to provide transportation of his expensive goods to everywhere in the country. The company is expanded to Rwanda, Uganda, South Sudan, and Tanzania. His employees like it very much to travel to these foreign countries.
Caxton thinks trust within businesses in Kenya can be improved. Enterprises do not focus enough on satisfaction of their employees or take care of the equality of their employees when that is necessary. Employees can be stimulated by training, paying for their health insurances, give them travel allowances, etc. That is what he does and his employee turnover is not very high. He also tries to maintain equality by giving the employees equal opportunity. When one group has gone to Mombasa for work, another group can go next time. When a company appreciates its employees this way, the employees are happier to work for it and the chance that they will start their own businesses will be less big.

A few employees from Sunrays tried to start a similar company after quitting their jobs. Caxton does not mind this, but tells them to not try it until they are sure. Nobody succeeded yet and some employees are back working for Sunrays. The problem is the money to invest properly in the beginning. The solar energy industry is expensive and you have to do everything right for all parts of the product, otherwise the whole product is of poor quality.

The company provides training for the employees in different ways. Since Caxton is a teacher himself he knows how to educate others. He trains his personnel of the different departments on motivation, vision and mission. Some jobs require specialized training. These employees are allowed to get the special education; afterwards they share an overview of the specialized information to the rest of the personnel on the general in-house training days. One of the big goals of the in-house training is to let every single employee understand the strategy of the company and also get them all involved and in the same direction.

Every Monday morning the managers have a meeting together and every quarter of a year the whole staff retreats. They discuss what went good, what went wrong and how things can be done better. They also set new targets for the next quarter while anticipating on expected problems. During this retreat shareholders and employees come together and can discuss in informal way what goes on in the company. Problems are solved and everybody gets involved. This weekend is very stimulating for teambuilding. Politics are not practiced in the company. In Caxton’s view these issues of politics, tribes, regions and gender do not belong in a company, they give friction and it does not stimulate business. These interpersonal relations are even a cause for many businesses to underperform.

The employees are stimulated to think about innovation for the company by payment of bonuses to motivate initiatives. Furthermore, they are paid monthly at the end of the month. The sales team is on commission, which is a motivation to sell more. The installation team is also on commission as an extra commission on top of their fixed salary. Caxton’s vision is that money is not the only motivation. He wants satisfied employees and tries to attain this with treating them nice by showing appreciation, giving travel allowances, medical cover, offering trainings, or have a clear path of promotion.
The level of competition is high in this industry. That makes the market very price sensitive. Price wars are going on everywhere and almost every market is saturated, it is often not about quality. It shows that the market is not matured. It is not about differentiation, innovation, quality, and added value of service, but only on price.

The evolution carriers to grow a company are according to Caxton; 1. Establish a brand, emphasizing the name. 2. Introduction to the market. Here emphasis is on service. 3. Be consistent. This way you get references and this is free and very effective advertisement. Caxton has a clear goal for the future. He wants to be one of the leading MSEs of Kenya in 2015.

In Sunrays Solar there is a lot of emphasis on employee satisfaction. The employees are feed backed with money as a tool as well as with providing them a career path, trainings, and interesting jobs abroad. Trainings that one person gets are shared with the rest of the employees which results in a transparent organization. The power distance is hierarchical, with a manager at the head of every department who needs to be obeyed, but during the yearly retreat all employees from floor worker to board member are equal. This will contribute to the understanding of people in other functions and makes cooperation within the company more efficient since more people know each other are therefore more willing to help each other. During this retreat all employees are involved in feedback the year and determining the new targets. Involvement in the company is beneficial for production; since all employees have in mind what they work for.

The employees are not selected on any tribal background and the company is not focused on a community. The tendency is even more individualistic, which is not common in Kenya. When an employee performs well he can grow in the company, this means that status is achieved and the policy is universalistic towards all employees.

Sunrays works with a planning and with targets for the different departments. The targets are divided in smaller targets, even as far as a target per working day, which testifies from sequential time perception.

The company culture is a little feminine since there is room for men and women in all functions of the organization and the main focus is to build on the existence of the company together. The long term view for the firm is to be one of the leading MSEs of Kenya in 2015. This shows a long term orientation which is realistic and the company can strive to achieve this goal with the targets they set for every working day. The organization seems to understand that when they make today’s targets and provide good service and quality to the customer, the long term goal is within reach.
Caxton has worked for the government and therefore has many connections with important people. This is notable in the way the company distributes its products via the G4S security company. There is a pretty strong willingness to assist him from the side of this company. A powerful network can bring many advantages in all kinds of ways in Kenya.

4.1.2.3. **Ecosandals**

Ecosandals (Interview 25 & 26) started in 1995 as a Self Help Group. A group of friends wanted to serve the community in the poor neighbourhood Kariobangi, a slum in the north of Nairobi. The group has developed to a company in 2007 when an American named Matthew Meijer passed by and decided to stimulate the project. He gathered equity partners in the US that are not involved in the daily business, but have an interest to see the company grow. Matthew is the only one involved with the decisions and reports them to the partners. Now it is a social commercial company with the goal to employ people to empower them.

The company structure is not hierarchical. There is a coordinating team that consists of Michael, George, William and Rose. William is the supervisor of this coordinating team and leads the weekly meetings. The four of them have meetings to discuss the week targets for every one of them and together they feedback last week’s results. Then the coordinating team separates and collects their team of manufacturers to discuss the new targets and make a planning. All team members of the manufacturing team are allowed to give their input. This way every single person that works in the company is involved in the way the company operates. Everybody takes part in the team. The goal is to share and learn from each other to improve the production process.

New employees are trained during a 6 months training program. During that time they are paid a fixed salary per day. When they come to be educated is very flexible, it is not obliged to come a full time week. The newcomers do not need any qualification, only be interested to work in the company. The people are selected in the process of training; all interested people initially get a chance. After the training the participants are allowed to leave the company right away. It is a social part of the firm to give this education, sometimes the company does not benefit from it at all. Once employees are in they become part of the team and the ways of production are taught by the whole group of manufacturers.

The manufacturers are paid per product. As a stimulant to work when they are around and not just sit in the work place and waist time. They can come whenever they want, because many of the employees like the work most of them will come in time and almost every day. Punctuality is wished for, which is why it is sanctioned with a reprimand. On the other hand, production has emphasis so it is not very strict how long you are in the factory as long as you work hard enough. The permanent employees are paid monthly on the last Friday of the month. The casual workers are paid per week for what they have done that week.
Team spirit is a key issue in the way the company works. The only constriction the employees are warned for that they cannot learn how to manufacture the sandals at Ecosandals and then steal the design to go produce and sell elsewhere. To start a similar company to manufacture sandals is all right as long as the delivered designs are different.

Every worker with a fixed contract is a business owner. This means when the business grows, he or she gets a larger income because the share is valued into income. When employees want to become a shareholder they have to buy themselves into the company with money or by offering expertise and skills they own.

The company is subdivided in segments. There are the local market, the international market and the production. All workers can come up with new designs, but the coordinating team has to approve them in the weekly meeting. Sometimes they try new designs out by making a few and show the new model to some customers. The company is constantly improving the catalogue.

It is allowed to introduce relatives into the company, but the coordinating team makes sure that there is no complacency when one of the team leaders has his or her family member working in the same team. With putting relatives into different teams this difficulty is solved. There is no differentiation in tribes what so ever, no tribal language is allowed and there is no team formation according to tribe.

Via the website people around the world can find Ecosandals and make orders. There is also a Facebook page with pictures of the products and information on developments in the company, like new products, new people, vacancies, and other news. Furthermore people find them by mouth to mouth marketing, because others recommend Ecosandals. There are 30 different designs or SKUs (standard selling units), but every design a customer can think of and explain is possible to retrieve here.

When the company has to deliver an order the time span to produce the order is well planned and the technologies and capacity is regarded before the customer is told when the delivery can be done. They even build in a margin of a week in the time allowance, because shipping can take longer sometimes. This is more efficient in costs and keeps the customer satisfied. Ecosandals does not have fixed partners for delivering, since the market is dynamic and the best option in price differs from time to time.

Ecosandals has a few partners for materials and a few regular customers. The products are sold in different places in and around the city. There is an agreement on the price the businesses have to pay for the sandals, but they can resell them again for any price they want. It depends on the locations of the shops what they can ask.
The largest barrier for growth is according to William a lack of capacity, as well financial as in skills. Next to that everybody targets the same market. This makes every segment highly competitive and makes finding the ideal market for the company very hard. Many businesses depend on the local market, not the international market, because distribution of the products is another challenge. The roads in Kenya are bad and cannot handle the capacity of traffic. Especially Nairobi is completely jammed every morning and evening. This makes transport of products difficult.

One of the qualities of Ecosandals is the personalized service they offer. The quality of the products is good and this gives the customer confidence in the company and builds up trust to order more products. Ecosandals make use of the feel good aspect that comes when they follow up with their customers. That is why they call to receive feedback and use that to improve the business process.

William did a traineeship at Uchimi, a large supermarket chain. At this traineeship he was taught that the customer has a right to shop in the place, and had to be treated with respect. There he learnt that it is good for a business to provide good customer service.

What is outstanding of Ecosandals from all the companies that are visited during the fieldwork this is the company that is the uppermost equal in power distance. There is as little hierarchy as possible without letting the organization adrift without any coordination at all. The team supervisors try to involve all the employees in decision making, which makes every single one strongly connected to the direction the company goes. This might be a result of the start of the firm when a group of friends established a self-help group, which was an entirely flat organization structure. Involvement leads to higher understanding what a person adds to the organization, so why the employee should perform in the function he or she has. This is visible when the employees take their responsibility and tell when a target is not feasible according to them. Responsible behaviour and good sequential planning is also recognizable in the way Ecosandals handles deliveries. What is feasible with the techniques and shipping is taken along when promises are done.

The employees get paid at the end of the month and this works. There used to be a tendency not to come to work after salary was paid, since there was no need because the person had money. When the money was spend the employee used to come back to work. This would take longer when a salary was paid per month, and the employee could come into trouble because of the lack of money for a longer period. That is why in most companies payment was done weekly. That Ecosandals, just like Sunrays Solar in previous case and Ubbink in the next, provides the salaries monthly witnesses from an improvement in sequential thinking of the Kenyans.

What is more often observed in Kenyan culture is that one will try to please another person by promising the best scenario, or even promise something of which they already know that it is impossible, but do not want to let the other down. An example
is a waiter in a restaurant. When he knows a dish is sold out he will probably not tell you straight away, but come back 10 minutes later with the message because he did not want to disappoint you (Alan Paul, Interview 23). A transition to more sequential time perception can be beneficial for entrepreneurship, because the employees are more reliable, even when they just got their pay check, and with cooperation the communication is more facile when all parties tell immediately when they are able to do something or not.

That the company puts focus on the quality and calls the customers after the purchase to get feedback testifies the long term view of the company. When they perform well now, it is possible to build on a future. The organization is feminine because there are no separate roles for men and women.

Ecosandals provides the trainings and a voice in the business to satisfy the employees. The firm is too small and therefore not able to promise all employees a career path in the company or pay all kinds of social securities.

Ecosandals is a company that serves the community. The firm takes care of much different kind of people and makes no distinction in any form, which is very universalistic. When a family member comes into the business there are arrangements to make sure that the whole team is treated equally. The company is in a way a middle form between a community and individualistic society. The people are all different, but because of the team spirit that prevails there is still a kind of solidarity to one another that fits the Kenyan community culture.

The way this company is set up shows a voluntaristic tendency to change things in society from within the people. The self-help group was established by a group of friends that wanted to educate more people. Now with the help of the American partner the group is able to educate, employ, and empower people.

4.1.2.4. Ubbink - Haijo Kuper

Haijo Kuper is a Dutch employee of Ubbink Company (Interview 8). He is the managing director of the in 2010 newly installed first solar panel manufacturing company in Eastern Africa.

Ubbink cooperates with Chloro Exide, a large company that trades in solar panels and batteries. The network and distribution channels that Chloro Exide uses are available for Ubbink as a starting vehicle to develop the sales. Ubbink also makes solar panels in the Netherlands. The company goal is twofold, making profit and establishing a technology transfer and developing the solar panel industry in Kenya. Except for South-Africa there are no other manufacturing companies in the solar panel industry in Africa.
Kenya has KEBS certification, which is a mark that the product is tested by the national bureau of standards and guarantees the quality of the product. Uganda and Tanzania also have national bureau of standards, but the strength of the organizations is not capable of handling the amount of inflow of goods and they do not have the testing equipment that they would need. Ubbink tries to cooperate with the Kenyan bureau of standards, because it has the testing facilities that they do not have and try to show the bureau how it can improve.

Haijo sees the quality of the personnel as one of the key qualities of the company. He is very positive about working with Kenyans. The Kenyan workweek is with 45 hours longer than the European workweek. Furthermore, the Kenyans are far more flexible, and more eager to learn. They see the job at the company as an opportunity in life. This could be because of the unemployment rate in the country and Ubbink offers a fairly good salary. The education level is a little low, but a company only needs a few thinkers and more employees that can execute.

Ubbink provides training for specific jobs like quality management training or how practical training on how to make the product, next to a more general training on societal matters like understanding and prevention of HIV. In the end, the company benefits from this since it is cheaper to have healthy employees. Another general training is provided about the company culture. This is to have everybody understand how to act as a responsible employee and that the job needs to be performed well to get the result. The firm’s local investor has several companies and works with local, Kenyan consultants the ACT institute. This institute gives good interactive classes to get everybody together. They make use of ‘The 7 habits of highly effective people’ of Stephen Covey. This is the basics of their methodology; ‘I am a responsible person and I decide in life what I do.’ That attitude in life also applies to manufacturing.

Haijo tries to mix the employees as much as possible in gender, tribe, age, married or not and children and no-children. Because the company is in Naivasha more members of the Kikuyu tribe work here, this tribe is more present in the neighbourhood. It is not allowed to make political statements in the company. There are two reasons to mix the employees as much as possible. First to show to Kenyans that they have to work together. Some of the employees had difficulties with stepping over the past, which is actually a very recent past. Naivasha was one of the places where violence was the heaviest. Ubbink really wants to set an example and stimulate people to mix. To stimulate only English and Kiswahili is spoken on the work floor, no other (tribal) languages.

The second reason to mix is because mixing brings ideas. People get more creative when they cooperate with others that have different views.

The work is divided in shifts from 8 to 6, with an hour break in between. It is not allowed to be late for this shift, first time late is a warning, and second time means the employee is out. There is a clear hierarchical structure with the board of directors at
the top, consisting of Haijo and two local managers with different daily jobs, and a management team of Marketing, Finance, HR, Production and Quality. Then there is the middle management consisting of assistant accountant, store keepers, shift leaders, Kaizen coordinator, logistics coordinator, and marketing intelligence, and finally the rest of the employees, the operators and administrative personnel.

The company is very transparent in all import practices. It is possible to stay out of corruptive practices when you give a clear message that you do not want to be involved with anything that takes place under the table. As a result the company pays all the high taxes. In the beginning it is hard to not make mistakes with all the documentation of imports. Then a firm has a choice between two options, to pay the penalty or to bribe. Ubbink has always chosen to pay the penalty and has learnt very quickly not to make the mistakes again. At a certain moment the documentation gets in place and things are in order.

Meetings are held with the teams every Friday afternoon. Here important matters are discussed. Before every shift there is also room to discuss the issues that need attention of the whole team. When people come up with an improvement for the production or other innovations, the company provides a bonus. This is a motivation for the employees to think along with the managers and makes them have more eye for the bigger picture of the company.

The issue of taking little initiative does not exist because of rules or regulations hindering employees. It is more determined by culture according to Haijo. Since Kenyans used to listen to the elder without questioning and initiative was not appreciated it is not in people’s habit to take initiative. Ubbink tries to stimulate this by not making strict regulations, but provide a framework that maintains people’s creativity. The rules and regulations are only there so people know where and where not to go. Within where to go they are free. The employees are taught that they are responsible for the job that they do, so also for the rates that they generate, and as a result the company will be profitable, and as a result of that people can get their salary. It creates willingness to perform well.

On the other hand there was a request from the team for certain policies. There was a need for more clarity, by for example a code of conduct, what rules there are for the training, etc. The employees liked this better than just see things as they come.

The Kaizen method also stimulates the employees. It is a bottom up methodology. A Kaizen group is a multi-disciplinary group that bends over a certain problem. Together they come with a solution within a framework that is given. The team will get the investment that they ask for to see their solution work, which is motivational. A bonus is paid when a solution turns out to be profitable. Ubbink has to explain that the bonus is a consequence of the improvement the team has made to the company since the people do not establish this relationship themselves.
Within the Ubbink company the power distances are clear and a little hierarchical. The structure and regulations are clear, but on the other hand leave room for creativity and development. Individuality and initiative are appreciated and rewarded. When a person stands out by the proposition of an improvement for the company a bonus will be handed over. This stimulates individuals to speak up and show what they are capable of as individuals.

Since Ubbink is led by a Dutch manager some structures are not representative for Kenyan culture. There is for example a universalistic way of treating the personnel, no particularism takes place in the company, and everyone’s status is achieved and never ascribed. These are characteristics that rarely take place in Western culture and therefore hopefully not in a company in Kenya that is led by a Western man.

What is notable is that Ubbink, as Sunrays Solar, provide trainings for the employees to understand the company goal and mission. The companies that provide their personnel with training show that they care for their employees. This is a win-win situation where the employee feels appreciated by the employer, since the employer invests time, money and effort in the employee, and the other way around the employee learns what the company expects of the function he fulfils and is more willing to do the job right. Societal training is also beneficial for both the employer as the employee, as in the example that Haijo gives education on HIV is necessary to protect the employee, but also the employer so not all of his people will be sick.

Training is a good way to get people involved in the company and feel appreciated. It develops a work spirit that is beneficial for every company. It stimulates initiative and creativity and the individuality of the people.

The employees in this example are also able to set the boundaries for the deviation of their cultural background. The team that asked for certain regulations to know what they were facing felt more comfortable when the rules and regulations were clear. This is an example of uncertainty avoidance. When the rules are set these employees know where they can go and what they can do, which makes them more comfortable.

That sequential time perception is not in the nature of the Kenyan comes forth in the fact that the people that are rewarded with a bonus when they have proposed an innovation that the company benefits from do not see this as a logical consequence. The employee has to be told that he gets the bonus as a consequence of the effort and initiative he has shown and the company benefits from his input. These steps are not logically established in the employee’s heads before the explanation.
4.1.3. Summary & Comparison

The four cases give an image of the way the dimensions are displayed in the daily business. A few remarkable overlaps and differences of the daily business are discussed in this section. These are mixing of employee types, employee satisfaction, equality and hierarchy, and employee training.

First is the mixing of employees, Sunrays Solar, Ubbink, and Ecosandals all mix their employees. Ecosandals says not to pay attention on who is what. Ubbink mixes very deliberately to stimulate creativity and to educate the people to overcome the tribal differences. Sunrays Solar as well mixes deliberately with the function that the employees are stimulated by each other and can learn from each other’s background.

Secondly, Sunrays Solar and Ubbink spend lots of effort in the satisfaction of their employees, by providing trainings and give them social security. Also initiative is stimulated by the means of bonuses. These are two of the companies that show the most individualism in their praxis, while most of the investigated companies showed collectivism in any way. Since Ubbink and Sunrays Solar are modern businesses it could be that a shift to more individualistic ways is going on, but the group feeling in Kenya is very strong and comes forth in many of the interviews that were held.

Equality on the work floor is a third agreement that Ubbink, Sunrays Solar, and Ecosandals share. While Ecosandals tries to decrease the power distance as much as possible, Sunrays and Ubbink provide a clear hierarchical structure with room for all layers to give their input in the company. This is a shift from the hierarchical structure that companies used to have and where the employees had to do as they were told.

All four companies provide their employees with training. Wanangi Canvas and Ecosandals restrict this to practical training. At Ubbink and Sunrays there is as well a social aspect to the trainings. The companies benefit from the education that is given to the employees in many ways, since the employees understand what is expected more and feel more appreciated by the company when the company invests in them.

Wanangi canvas is the outsider of these four companies, although it is actually functioning more traditionally than the others. The employees originate from one tribe only, sometimes family ties are involved. The manager has created a large power distance which results in difficult communication. The organization is quite masculine with only one lady that takes care of the workers.

The four cases give examples of the dimensions that are visible in these four companies. More firms were investigated during this research and an overview of the findings per dimension is displayed below in Table 2.
In the table is visible that the community feeling and collectivism is present in most of the firms. This is shifting a little as is visible in the more successful companies as Ubbink and Sunrays Solar, but it is not possible to ascertain that a transition is going on here.

A transition is detectable for the dimension of internalism - externalism. The people used to be more externalistic and do the things that were asked to do; many of the entrepreneurs in the research have an internalistic way of thinking. It might be an explanation that entrepreneurs are a particular group that consists of people that show more initiative anyway. On the other hand there are as well observations of radio commercials that ask the people to become more internalistic and teach each other about democracy, the voting system and their rights and obligations in this.
Another shift that is remarkable is the sequential time perception. Africans are known in the West for their ‘bad’ planning behaviour. The table shows that most entrepreneurs show signs of good planning or sequential thinking; this might be evolving out of lessons from the past or like what happens at Ubbink with training about action and reaction.

### 4.2. Civil Society in Kenya

This section describes the analysis of the state of civil society with the observations done during the fieldwork. When we look at the cultural values of Hofstede and Trompenaars’ models some of the values are easily coupled to a well-functioning civil society. These values are little power distance, individualism, no uncertainty avoiding, long term orientation, universalism, achieved status, and internalism. None of these dimensions are found to be typical for Kenyan culture in the fieldwork, but sometimes an ongoing shift towards the direction of these values was noticed. An example is the shift towards internalism, which is noticeable in the people and for which was a direct appeal on the radio from an NGO to educate each other about the right of voting. Other markers of civil society are considered in the next paragraphs.

#### 4.2.1. Political order

The political order in Kenya is not fully developed. Political order entails three decisive institutions according to Fukuyama (2011); 1. a strong state, 2. rule of law by which also state abides, 3. accountable government. None of these three is present in present-day Kenya, which indicates that there is no stability or homogeneity in society to create universalistic rule, which is a necessity to establish a civil society.

In Kenya, the state is still above the law and this is a public fact. Politicians can do pretty much whatever they want which is discussed in the media more often, but hard measures are yet to be taken. When the state sets her example so low, the people do not have very high standards to follow. With the group as a shelter, every party tries to benefit from the other parties and this is socially accepted. Even tricking others to enrich the own group is allowed and not always judged.

#### 4.2.2. Ethnicity

Since the community plays an important role in Kenya it holds back the individuality of the people. Free movement is impossible because persons are tight to the tribal loyalties and expectations of family. This is shifting in the big cities were the people live further away from their families and are forced to live close to others from different tribes and background. New groups are formed in churches, self-help groups, artistic youth groups, etc. These newly formed communities are not yet strong enough to break the attachment to the old tribal communities. However, the transition that is going on, beginning in the cities, is notable.
When NGOs and other civil society organizations that try to establish a civil society create tension between a civil society and the state, the other tribal communities that are not in state power take the advantage of the moment and try to take over the power of this community. Since this is the situation in Kenya were one tribe, the Kikuyu, has the power in hands. The other tribes are willing to take over this power to benefit with the own community. This makes it hard for a civil society to be the counterweight of a state, since a third party breaks the balance.

### 4.2.3. New communities

Re-establishing the forms for interaction is visible nowadays. People are pulled out of the comfort zone of the tribal communities when they move into the cities where all tribes and traditions come together. When people live in their safe communities at the countryside where there is no room for doubting the own group, there is also little room for re-grouping and improvement.

A Western company like Ubbink sets an example by mixing age, gender, and tribe, and even more interesting is to see this same policy carried out in Monyuki’s Sunrays Solar, a company founded by a group of well-educated Kenyans. The selection criteria for employees have shifted from the in-group to a person’s individual capabilities and the work ethic changes. The motivation for performance also changes, as a result of training, target systems and promotion opportunities.

New group formation also requires new forms of cooperation. That is why new institutions, new human qualities, new sorts of interaction, and new technologies are invented in these times. In Kenya this is shown by the new constitution that is written at the moment for the country. The new constitution will involve a new governmental organization and a new voting system with a chosen governor for provinces that are newly defined for this purpose.

### 4.2.4. Network development

The process of pushing back the political orders, as tribes and government, could be disturbed, because the Western civilization has already influenced the process by setting an example of how things can become when the British had Kenya as a colony. Consequently attempts to create institutions in the network according the Western example are performed in an environment that is perhaps not ready to enable these institutions. This can be a cause of malfunctioning or lack of quality of the institutions. In the slums in Nairobi, for example, there are hundreds of NGOs operating to help the residents. Nobody is coordinating this and although the willingness to improve the situation is there, a lot of energy is wasted when there is no cooperation with each other. Joining the forces would make the operation by far more efficient.
Network development is hard to establish in a culture with a strong separation between in-group and out-group. This division brings distrust in others than the own in-group and creates a distance that is hard to overcome. When a civil society is not yet established the broader view on what is necessary in a network is not possible and therefore valuable additions cannot be made. Network development requires knowing what other parties want and let certain roles be played by these other parties to create a functioning system. When groups are too much self-focused and not able to let others work in certain positions and not only have eye for the own benefits, it is impossible to establish a network. It is necessary to be able and willing to think what party can do what piece of the system and what would be a meaningful contribution to the system. This is very hard to execute in present day Kenya, since anonymous trust is incredibly low.

In her thesis Lynn van Heule (2012) describes the SWT (Small Wind Turbine) network in Kenya. She encountered a network that is not fully established and above all lacked quality in its different institutions. For entrepreneurship a network is beneficial because it increases learning experiences, attracts resources, and other actors to join the network. When nobody has the overview it means that it is hard if not impossible to establish a well-functioning network where entrepreneurship can benefit from. Collaboration is impossible when actors in the network do not know of each other’s existence, which is the case with the large amount of NGO’s, university initiatives, and other projects to stimulate entrepreneurial activities. There is not one institution that keeps track of them and connects them to each other.

4.2.5. Summary of findings

The results of the field research show with the attempt to move towards good governance and more equality in the country that civil society is coming up, but the markers prove that it is not yet fully developed in Kenya. There is no universalistic rule of law and society is divided in the many different tribes that are a barrier for a homogeneous society.
4.3. State of entrepreneurship in Kenya

This section describes the findings on the state of entrepreneurship in Kenya in the time of the research (April to July 2012). The section highlights existing challenges for entrepreneurship in the business environment as they were found in the field research.

Of the different factors that were found to have influence on the progress of entrepreneurship the four most notable are discussed to show the important influences on the state of entrepreneurship in Kenya.

4.3.1. Market saturation

David Ndegwah (interview 35) says; “Kenyans are peddlers, not wealth creators.” It means that a Kenyan buys a product and tries to sell this with a margin to make profit, instead of creating something that really adds value. Many Kenyans that work for a boss see what he is doing and think they can also do the same and have more money left when they run the business for themselves. That is why many employees leave and start the same business as they used to work in for themselves. The new firm does not always turn into a success. When it does become a success it means the two companies find their customers in the same market, since it is not common to move to another spot.

It is also normal to copy a neighbour or friend’s business and open a shop next to the other; there are often many of the same businesses in the same area. To spread and divide the customers in areas is not the way Kenyans see this. When someone wants a particular product, it is easy to get it at the place where everyone sells that product. In this sense there are squares where only clothes are sold, a vegetable area, and a woodworker’s street.

With all the same firms next to each other the market is saturated more easily since it only covers a small region. The customer goes to the particular place when he is looking for that certain product that is sold, and the price war begins. The margins on the products are as less as possible since the customer has the power to bargain for the lowest price possible.

4.3.2. Trust issues

People tend not to trust others in Kenya. It is generally allowed to benefit as much as possible from others. That is why everyone has to stay on his guard all the time. Within communities it is normal that the one that brings in the most resources shares them with the rest of the group. Some people in the community take advantage of this by not doing anything at all and at the end of the day get a share of the ones that did work hard. This holds back a whole community, since it does not pay off to excel. Or when you do excel it is better to keep it a secret for the rest. With the people more scattered over the country instead of living together with the whole community, keeping successes a secret is more common. It makes the people from a
community watching each other with suspicion to see whether someone is more successful than he or she tells. It is common when a person lives in Nairobi to get calls from ‘home’, which is mostly at the countryside, when resources are needed over there and it is expected that the people living in the city can provide this.

The low anonymous trust is also visible in the fact that employees do not have the feeling that their bosses take good care of them, but instead make as much money as possible and pay the employees as less as possible to become rich themselves. That is the general thought and also the reason that many employees try to start the same business for themselves.

The problem is very large when it comes to the customer relation. A customer cannot always trust a business. They must check everything before a deal is closed to be sure not be taken advantage of. An example for the trust issues in business is at car garages. The people that bring their car to a garage have to stay with their vehicle all the time. When the customer is not present it is known that the garage personnel let the customer buy new car parts and install the old ones, or even takes out good, functioning parts of the car. Garage guys are known to overprice very much, so the customer has to bargain seriously with them, but they have a strong position since they know the customer needs them. Through the unreliable garage owners the market of spare parts is a disturbed one. Sometimes the products are sold second hand for a high price and turn out to be of really bad quality, but since they are second hand they have proven to once work, while the new ones coming from China and are sold for a lower price are less wanted. Next to that, when a customer brings a car to a garage it means staying at the garage to keep an eye on the car, sometimes even for multiple days in a row.

It is a cycle that is hard to break. The people that are the first to trust others are also the ones to be disappointed first, because others can take advantage of them. When people value their individuality more, their self-esteem grows and with that take more responsibility for their actions, now the moral standards can rise. This could be a basis for a growth of the anonymous trust.

4.3.3. Financial Resources

Many of the interviewed entrepreneurs see access to financial capital as a problem to grow their company. Until recently it was only possible to open a bank account when the customer had a large sum of money to put on the bank. This was not accessible for many Kenyans. Getting a loan at the bank was even harder. To get one you had to have collateral in the form of land. Nowadays, new movements are visible. Equity bank (interview 21) is an example of a bank that is for the people. It is possible to open a bank account for free and put small amounts of money on it, it is also possible to get small loans. The banking system is made more available for the people and they make use of it in large amounts. Also more alternative providers of financial resources pop up like SACCOs, which are community group loans, and micro credits. These alternative loans need to be investigated thoroughly before making use of the service, because there are sometimes pitfalls in the
constructions that can disadvantage the client more than when he has signed for a normal loan. Equity bank also provides training for start-ups. The training is about how to handle the money and to learn about planning. The bank system is trying to stimulate the economy this way and benefit big time from it for them, since it is easier for the larger companies to also have a bank account at a bank as equity since most of their customers have one and transactions will go quicker and easier.

Another phenomenon to get access to capital is established with a community structure. People from a community can together take a loan for a certain amount of money to buy something with which the group can make money for the group. To repay the loan there is the social pressure of the group, or the social safety net of the group, when a person is not able to pay. With this structure communities can grow their financial position together.

Kenya suffers from a large inflation of 10% every year. This means that interest rates on loans are also very high, around 30%, which makes it hard to repay a loan. On the other hand savings degrade in worth for 10% every year, which makes saving very unattractive. This way it is a large barrier to collect financial resources to invest in the company.

There are few empirical studies done to proof the positive connection between access to capital and business growth (Nichter & Goldmark, 2009). An econometric study performed in Nairobi, Kenya under 225 MSEs producing garment, suggests that further research is necessary (Akota, Sawada & Otsuka, 2006). In this study it is argued that credit access is not a significant determinant for firm performance, and that the factors that influence credit access are very different from the factors that determine the growth, efficiency and profitability of garment firms. The lack of credit could also be due to a lack of planning and sequential thinking, in order to remain with an overdraft to invest in the business.

4.3.4. Education

Empirical evidence suggests that firms with better educated owners and managers function more efficiently. (Burki & Terrell, 1998; Tan & Batra, 1995) In developing countries the education system is not accessible for everyone, which has resulted in a low number of business owners with a high level of education. The firms that are established are often created with a survival motivation due to lack of alternative employment.

Nowadays, education is established more and more in Kenya. The British left a legacy in this and schools are available for all Kenyans. The state even provides free primary schools for the less advantaged in the society, a path in the right direction. It could be even better when the education program would be adjusted to the African culture. At the moment the old British school system is still taught, the implicit values that are transferred in this system are the Western values. When values from the own background are transferred it is less conflicting with the way people behave in daily life. When these implicit values
are not conflicting the people are able to build further on these values, which provide room for development instead of the internal struggle that the conflicting values cause.

Many of the successful firms make use of training consultants or provide trainings themselves. This shows that the companies build on their capacity by directing the skills and attitudes of their employees. The training is done to understand managers and other employees better, strive to a common goal with the whole team, or to improve service or other skills the employees need.

4.3.5. Summary of Findings
Entrepreneurship suffers from some values in the culture. Market saturation is a consequence of lack of initiative and uncertainty avoidance. There is no stimulation to stand out from the crowd because of the community habits. Changes in the role the communities have nowadays create difficulties in anonymous trust, which in its turn is the source for a lot of problems the businesses encounter daily. Getting financial resources is one of these problems.

Education is getting a more important role in two ways, first in schooling for the youngsters which is increasingly seen as important, and secondly in training programs within businesses to educate the personnel.
5. Discussion

In this chapter findings from the field research are connected to literature on entrepreneurship and development.

5.1. Beneficial changes of values to promote SE

The cultural dimensions explained before in chapter 4.1 entail values of the society that are sometimes beneficial, but other times less stimulating for firm growth. The characteristics that are expected to be the most influential are described here.

5.1.1. Community

The group feeling is very strong in Kenyan society. Tribes still play an important role. A tribal background largely influences where a person buys groceries, with who a person befriends, and which political party is voted for. Next to that, the community feeling has influence on how the in-group performs. It is not a stimulating environment to excel, since it is required to share with the community anyway. Another drawback of community feeling is the lack of responsibility for the own actions. There is always a group behind a person which makes him or her able to not look at his own moral believes and let the responsibility of actions be of the group. This means the community serves as conscience for people and initiative from individuals is not praised. Within a community other values have a higher priority than when is acted upon an individual conscience. It is for example normal to employ a family member even though they are not qualified to do the job the relative is employed for. This would not happen when a person minds his own values before the group values, since he has to pay an employee that is not able to make the business more efficient. In the community value system it does not matter, since the money stays in the community and nothing is really lost.

Advantages of the strong communities are also visible. In a community everybody is taken care of, nobody will be forgotten by the rest of the group, and nobody dies of starvation. Next to that there is also an information transfer system in the groups and the members will teach the others what they know. This teaching has the implicit values of their own culture in it, instead of the values that are taught at schools.

The communities are very much focused on the in-group and with that exclude the out-group. As a consequence everything that does not belong to the in-group is automatically out of focus. In the West this is slightly different, because of the less closed communities public space, for example, belongs to everybody, in contrary to nobody which is the case when the communities are only focused inwards.
The communities are a strong and firm system that is used for many years, which makes it very hard to change. Although the society would benefit from a change in this system, since development requires cooperation between groups. When the communities stay focused on their own goals and are not able to shift the interest to common goals developments will be hampered.

5.1.2. Particularism

Particularism is a large barrier for the Kenyan business environment. When business is not about delivering quality, but about whom you know in which position, there is no incentive for innovation. This means that developments are obstructed by this value. Particularism is found at the basis of the unfair competition for tenders. With the large tenders that the government coordinates connections are more important than quality. In Kenya the state is the largest employer and investor. This makes the entrepreneurs largely dependent on the political patronage of the government. The government can control the business environment completely through their position.

On a smaller scale, particularism stimulates not choosing the best person for the job and does not motivate personnel to perform the job as good as he can. When the one making promotion is known in advance, no matter what the person’s performance is. This way all activities are performed less efficient or not at all, since there will be no reward anyway. A firm will not function optimally when there is no stimulant that rewards quality or efficiency.

5.1.3. Power Distance

Power distances tend to be hierarchical in Kenya. In most companies there are meetings with the whole crew to get to know every ones opinion before decisions are made, but there tends to be one person that takes those decisions. The personnel feels like it is of zero value what is said to the manager and avoid confrontations.

It becomes a problem when the power distance is large. To get the most out of the personnel these need to feel appreciated. When there is no appreciation of initiative, people will not feel valued. This way getting the most out of one’s personnel is impossible.

When the organization becomes less hierarchical there can be a different communication, where people feel treated with respect they are able to communicate their opinion on matters. When they have ideas for improvement of the company it is more likely that they share this when they feel valued and understood than when they are not appreciated for it. This will cause the feeling and behaviour that was found multiple times in the research of people that felt like they could do a better job than their supervisors and therefore started a company of their own.
A solution is visible in Ecosandals where the organization structure is more equal. The employees work together on a common goal with targets the employees together regard as feasible. This leads to a low employee turnover and a willingness to fulfil a job the best way possible. The employees are willing to cooperate to reach the common goal, which contributes to a large extent to the success of the company.

5.1.4. Fatalism

The externalistic way of thinking that comes forth out of the tribal communities is in the way of creating new products or services to grow the economy with. People are not programmed to think in another way than they are used to and thinking of something out of the box is rare. This is also connected to the ruling power distance which pushes back all initiative for changing habits with the intention to remain the power distribution and to keep things the way they are.

When there will be more individualism, more voluntarism can arise. When the people become less fatalistic and take responsibility for their own actions progress is more easily made. New ideas can pop up and get the room to develop.
5.2. Beneficial changes in institution building to promote SE

Throughout history one of the major problems of political institutions has been to overcome the small, but strong identities of tribal existence and to build larger political institutions on top of those. One of the central concerns in this respect is; how a social layer in the society and institutions can be established that creates a strong, just and accountable type of governance (Fukuyama, 2011).

Institutions, regulations and governance can function as a stimulant for the business environment. In contrary, when the rules and regulations are not coordinated and maintained by organizations that are good-natured they can counteract and become the barriers that entrepreneurs need to face. In this part a few of the obstacles that are present in Kenya and disturb the business environment are discussed.

5.2.1. Corruption

With its sneaky presence corruption is one of the major problems that is going on in the country. It is maintained from high positions, carried out by many officials, and people are sometimes obliged to participate.

Corruption brings large disadvantage in competition for merchants or producers from outside the city. The roads to the cities are blocked by policemen multiple times, every time one wants to pass these roadblocks the person needs to bribe the officer to gain his way. When a person comes from far this brings so much extra costs that it becomes impossible to sell with any margin.

Corruption also raises barriers for entrepreneurship in daily practices. To get licences it is easier to bribe the official than to wait the formal time because it will take an amount of time in which the business cannot function, which will cost the company money. The same goes for the electricity connection and other places where people know the power they have can be of influence on the business.

Only when the government is put under high pressure, for example international pressure, when Rwanda holds its foot stiff about the corruption in Tanzania and Kenya and does not want to continue with the East African Community unless all corruption is banned, will the transition process be catalyzed. Otherwise, it might take a very long time since the problem permeated through the whole system in every legal office and is kept alive by the regime.
5.2.2. Tribalism /Ethnicity
Tribalism is still present in the political system and therefore hinders the establishment of a real democracy. People tend to vote for a person of their own tribe, which makes the candidates of the largest tribes automatically the most likely to win the elections. Research has proven that when the leader of a ministry or other political organ originates from a certain tribe, the employees are also more often from this tribe. This can be a consequence of the higher trust people have from others of their community, which is a logical consequence of understanding people from the in-group better since values and communication are the familiar. The political environment is therefore biased towards certain tribes, which also provides a disproportionate business environment. It will be easier for a certain tribe to get licenses, win tenders and so on.

It was indicated in the interviews multiple times that mixing people stimulates creativity and development. When the tribal differences stay strong it would function as an inhibitor on progress. Luckily, mixing of the tribes is more and more visible in daily life of the big cities where people with different background live in residences together.

5.2.3. Bureaucracy
Tito Arunga of SNV, interview 33, points out the difficulties especially start-ups have with the bureaucracy in the country. There are multiple licences companies need to have before they can do business. These licences have to be renewed every year. In the first years most new companies have no income which makes it very hard, if not impossible, for them to renew the necessary licenses. There are companies that operate without any licensing and just take the risk to get fines. This structure provides an unbalanced environment for new businesses. Nowadays entrepreneurs have to take large risks that could be prevented by a system that protects the beginning businesses. When the start-ups would get more freedom to evolve, they would be able to establish themselves first before they have to pay for matters that do not help them develop.

The bureaucracy also offers room for corruption and particularism. As described above in the part on corruption it is common that officials that can exercise power on companies will do this for their own benefits. Particularism arises here as well, since the officials will not try to benefit from people they know and do not want to counteract. Connections within official organizations are therefore very beneficial and the business environment not universal, since it does not provide equal chances for every participant in the field.
5.3. Development of the business environment

Three chances are noticed during the fieldwork that can be beneficial changes for the business environment for the future. This section discusses what they are and how these changes can turn into a positive movement in favour of entrepreneurship. In the fourth paragraph the path-dependent way forward is described.

5.3.1. Training consultants

As described under paragraph 4.1.3, many successful businesses make use of training consultants. It is a trend that is noticed in the more successful companies in Kenya, which often consist of multiple departments. The training makes people more aware of the functions others perform, for example by a role play. It also creates solidarity in the employee teams. The participants will become more aware of their own role in the larger picture.

When employees are trained it is clearer to them what they are asked for by the employer. This stimulates performing the job well, with the directions more clear it is easier to act according to them. The employees’ trustworthiness increases, which benefits the company to a large extent, since the whole firm becomes more reliable when it has a grip on the personnel. The access to financial resources increases, since the company is seen as a more trustworthy partner in business.

One of the subjects that is present in most training courses is customer service. This is not a common thing in Kenya. It could be because most things a person does for another person is out of community habits and therefore a grateful attitude is not appropriate. What is striking is that in shops and other service jobs the employees are not very friendly to the customer and sometimes even unwilling to help out. Customer service is a new and upcoming concept in Kenya where business can benefit from.

5.3.2. Equality shifts

The roles for men and women used to be much divided in the Kenyan culture. Men were the ones bringing in the money and resources, women stayed at home to take care of the children and manage the household. This shifted when ladies as well started to open shops or selling goods they produced and brought in some money for the whole family. When this happened the women gained a voice in decision making in the community.

Although there are many growth constraints connected to women entrepreneurship, it is found that women are often highly effective firm owners. For example a study on textile firms in the Dominican Republic showed that the female-owned firms have higher levels of labour productivity than those owned by men, even when they experience slower growth (Downing &
Daniels, 1992). This shows that men and women can learn from each other and entrepreneurship will benefit from equal chances for the genders.

Nowadays, more women also perform the former ‘men’s’ jobs. The general manager of Caxton Munyoki’s Sunrays Solar is a lady, which he says; “is very committed to the job and strict for the employees.” She and other women are working in jobs that were until recently not accessible for a woman and this gets more accepted through the successful examples.

5.3.3. Urbanization

With more Kenyans moving to the capital city the family ties are loosened and the process towards a more equal country is catalyzed. When many people feel like they have to leave their homes to find a job, it is a sign of a crisis in the community. The balance is disturbed and the community is no longer capable of maintaining itself. A crisis is therefore more often the moment when large changes are established. The uprooting of people and moving away from their homeland can be part of the process. A process that leads to a more equal society, with blurred tribal differences and more willingness to cooperate with each other.

The trend of becoming one country instead of living in the different tribes is shifting for another reason. While it used to be unthinkable to associate with someone from another tribe, intertribal marriages are sometimes happening nowadays. The children that come from these marriages are ‘Kenyans’, since they have no clear tribal roots any longer.

Globalization is visible in Kenya as well. Businesses from outside Kenya see opportunities in the growing economy. Labour is relatively cheap and with the right organization successful companies are established (for example Ubbink in the case description of paragraph 4.1.2.4.). More Kenyans cross the borders to their neighbouring countries to do business and the rich people even for vacation.

Through the mixing of people a positive environment arises where people learn from each other and room for innovation and creative thinking grows. It brings progress, an example was a Kenyan from Marsabit, where people are still fighting about cattle. He made a large transition when he saw what is going on in Nairobi, reflected and wondered why they are still fighting about things that seem of so little importance with regards to the state of development in Nairobi. He took this lesson back home and spread his knowledge in Marsabit, which is the beginning of a movement in a direction forward.
5.3.4.  Path-dependent way forward
Kenya has barriers and pitfalls in entrepreneurship that can only be solved with multiple transition pathways on every level of the society. It is not easy to manage these transitions; they are large movements that cannot be easily initiated by one group, but have to be supported by a network of actors to make an impact.

Corruption is one of the barriers that is very important and at the same time very hard to overcome. Prahalad (2006) describes the real costs of corruption and its impact on private-sector development and poverty alleviation. The private sector can only develop when a country has the capacity to facilitate commercial transactions through a system of laws that are fairly enforced. Especially law of contract is important, which makes the ownership of assets clear and makes possible that these assets are sold, bought or mortgaged. Fair enforcement is only possible when there is a rule of law that is universal and thus also obeyed by the government. Next to that the government should be able to correct actors that break the rules.

Initiation of this change needs pressure to come to a start. Pressure can originate from the people that group together for example by means as the media when they want adjustments in the regime. Even more stimulating is international pressure that asks change from the regime. For example as at the moment Rwanda is putting pressure on Kenya and Tanzania to fight corruption, since the country is strongly against corruption and does not want to form a union with countries that still stimulate these practices. The two described tendencies will strengthen each other and the pressure on the regime will be large enough to initiate change at a certain point in time.

The way to go from now on in Kenya is the establishment of a good government that obeys the rule of law itself. During the time of the fieldwork, April – July 2012, the government was still working on the new constitution that was approved for in August of 2010. This new constitution has to make sure that every single person is treated the same and that democracy will become more established. This is done by creating 47 smaller voting districts which will all have their own local governance that is chosen by election. This and the institution of a senate reduce the power the President used to have.

When the right government is in place, more room for the development of civil society is created. The other prerequisite for civil society is less distinction between ethnical backgrounds, since it allows the people to regroup and make their own individual choices. This process can take a long time, but shifts are visible nowadays through urbanization and inter-tribal marriages. Establishment of a civil society is necessary to allow NGOs and other associations that embody civil society to perform their activities, which is important for development since they can promote economic development and help people with their basic needs.
Civil society empowers the people, enlarges pluralism, and provides a voice that can be heard by the state. This is useful in another step that development needs, the constitution of good laws and regulations. Laws and regulations need to be clear so bureaucrats cannot have a significant influence in the interpretation of the law. These can be established when the government has the intention to ban corruption and also listens to the voice of the people, which again requires civil society. This way the rule of law is a prerequisite for civil society and the other way around civil society is an important condition for rule of law. As long as the tribal differences play their important role, one of the largest tribes will have the governing power and creating rule of law and equal access stays very hard.

Another important step in development is the transparency of the market. This should include a system of laws that allows for ownership and transfer of property, a process of changing the laws governing property rights that is clear and unambiguous, and institutions that allow the laws to be implemented fairly, in time and with transparency (Prahalad, 2006).

What step needs to be taken first is not fixed since changing the laws does not help when the system is not transparent or when the system is not equally accessible. Prahalad (2006) stated 4 criteria for a good environment for business: 1. Access to information and transparency for all transactions. 2. Clear processes so that selective interpretation by bureaucrats is reduced, or eliminated. 3. Speed with which the processes can be completed by citizens. 4. Trust in the system, which results of the first three criteria. In Kenya the lack of trust in the system is visible everywhere. It shows what corruption and bureaucracy induce and why these should be eliminated before businesses can flourish to their maximum capacity.

In summary, the four steps that need to be taken in the pathway for development are:

- Constitution of good governance
- Establishment of civil society
- Good laws and regulations and proper enforcement
- Transparency of and easy access to the system
5.4. Capability theory to evaluate transition

The findings show a number of values of which a transition would benefit entrepreneurship. The question for this section is can we evaluate the development of these values with the capability approach? The theory is a flexible and a multi-purpose framework, rather than a precise theory of well-being, but is it therefore able to function as an evaluation tool?

5.4.1. How can the CA be used for evaluation of SE in Kenya?

Development is a normative concept, therefore the concept requires goals and not just means. To set these goals Yujuico (2008) proposes the CA as an evaluative framework for the analysis of development that the work of social entrepreneurs brings.

He claims that ‘the CA can further our understanding of the areas in which social entrepreneurs can function as strong reciprocators to enhance welfare of others.’ With their focus on social motives, social entrepreneurs are less likely to become trapped in excessive focus on profit making, or technical and managerial tasks at the expense of social interaction.

It is possible to develop internal capabilities for a company with training and education. At the same time, when humans are treated more as ends and not as means, the improvement of a capability often brings improvement in other capabilities and the overall benefit grows. An example is when an employee is offered courses to improve his skills to perform the job. Next to the gain in skills he will feel valued as a human being and therefore able to perform his job even better with more self-confidence.

This way, social entrepreneurship can enhance capabilities. That said there must be a way to evaluate this progress in capabilities. In literature, different models that explain the CA are proposed. For this research the model Robeyns (2005) has constructed will be used (Figure 7), with some adjustments coming from a research of Ziegler (2010) with an application on entrepreneurship. The model is chosen because it provides a clear and complete overview and since it is used before to evaluate social entrepreneurship (Ziegler, 2010) its applicability is proven.
The model consists of multiple facets that will be briefly explained here. Starting with ‘Context’, this box is about the social context of the surroundings where the capabilities are to be achieved in. It includes institutions and organizations, policies and programs, formal and informal law, etc. All kinds of influences that are outside a person’s own powers, but do have an effect on how, when and where the person can utilize products or capabilities. When a person owns a bike it will bring him further away when the streets are paved than when there is no road, this is an example of the context. ‘Preference formation mechanisms’ and ‘Social influences on decision making’ are influences from outside an individual that direct the choices a person makes in some way. ‘Personal history and psychology’ are the personal factors that influence a person’s choice.

The ‘Means to Achieve’ are the enablers to purchase ‘Goods & Services’. This can be the production of a good, but also the income of the person that wants to purchase a good. In the application to entrepreneurship it can be the source of capital that makes realization of a business possible.

The circle around ‘Means to achieve’ and ‘Goods and Services’ is there because goods and services are as well means to achieve the capabilities. Thus, it is possible to make a distinction between the two, but in the reproduction both serve the same goal.
The individual conversion factors were discussed before in paragraph 2.5.1 and consist of the personal, social and environmental conversion factors, for example difference in physical ability or reading skills between individuals. Then there is the set of capabilities a person can choose from, and the choice to realize the capabilities and turn them into achieved functionings.

Ziegler added ‘Indirect conversion factors’ and ‘Capability sensitive design & Capability joining design’ to this representation. His motive to add ‘Indirect conversion factor’ is that the ‘Context’ also influences the factors that are required for the production of ‘Goods & Services’, for example when legislation hinders production of a certain good, or the pressure of taxes on people’s income.

The term ‘Capability sensitive design’ is derived from Oosterlaken (2009) and points out that there are technical conversion factors that play an important role for capabilities. The technical conversion factors offer opportunities of design, just as personal conversion factors offer opportunities for education. The design can bring out the impact of the capability the product contains. A design for a public toilet in Kenya, for example, attracts people to use the facility because it looks good and clean, offers a safe place to visit the toilet, and created space for small businesses around the building. Choices in design have proven to contribute to the success of these public toilets.

To evaluate the capabilities Nussbaum’s list of ten central human capabilities will be the support. Although the list is not completely free of cultural relativism, as discussed in sub-section 2.5.3.4. it provides a useful backbone for analysis and makes sure most important capabilities will be treated.

5.4.2. Evaluation

Here an attempt to evaluate all described factors and values that influence the process of development and the capabilities that change with it.

The goals for social entrepreneurship that were described in section 2.1.2 are evaluated first. These were Education, Gender equality and Work experience:

- Education – Education is a tool that is more often described since it directly enhances the capability of Senses, Imagination and Thought and is even stated in Nussbaum’s description of this capability. Therefore, it needs no further explanation in this report.
• Gender equality – the consequence of gender equality is that the individual conversion factor is less different for men and women based on their gender. This indicates that in the current situation the social conversion factor of women will increase positively. It is socially more accepted that a woman fulfils spots in society that will bring her a more extended capability set to choose from, for example when a woman has been able to get a degree from university or when she can perform managerial tasks, which were typical reserved for male before.

When a woman has a job her ‘Means to achieve’ things changes beneficially, and not unimportant, both the factors that influence choice shift. The woman is able to influence decisions on what the family purchases, since she also brings in money, the way she perceives herself changes, and her husband needs to obey her will more as well.

Gender equality will therefore have impact on women’s self-esteem. Her value is expressed in a different manner than before. This links to some of the capabilities, for example Affiliation, women are now able to live equal to men. Control over one’s Environment increases since a woman now enjoys the freedom to choose the job she likes. Shifts in Bodily integrity are possible, since it is more common that women are ‘out there’, instead of at home, and with the higher self-esteem they are able to move more freely. As last capability, Sense, Imagination, and Thought will develop with the fact that the women encounter more situations in life when they perform a job, next to the work in the house that they used to do. Therefore they have learning-experiences in practice, which provides the women with new vision and stimulates their brains more.

• Work experience – social entrepreneurship links to economic capability, it can create jobs for people that were unemployed before, which is a problem in Kenyan cities with their troubled economic environment with much unemployment. A person with a job is able to increase his ‘Means to achieve’ things and like the women described before, self-esteem rises and the person will value himself more as a person. Work experience has no direct influence on the capabilities, but it has a positive effect on the individual conversion factors and the personal factors influencing the choices one makes.

Civil Society has a positive influence on the environmental context. When civil society establishes institutions are better functioning and networks develop, rules and regulations are most of the time written for the people to benefit from, and the whole social construction exists to enable the people to develop. Indirectly, civil society therefore influences the ‘Means to
achieve’, the indirect & individual conversion factors, and the ‘social influences on decision making’. It has no direct influence on the capability set that is enabled.

Lastly, the transitions in cultural values that are recommended for social entrepreneurship are evaluated:

- **Community > Individuality** – the shift to a more individual society has many consequences. Here it provides change in context in the form of social norms, it modifies the way choices are influenced socially and the worth of the personal history shifts. At the same time the capabilities that will change are Affiliation, Senses, Imagination, and Thought, and Practical Reason.

  When society is becoming more individualistic the people have to adjust, their social norms are shifting and they need to find new ways to behave towards another and for communication. This means Affiliation changes, a value judgment whether it changes for the better or the worse is not possible to make, since this depends on the context and point of view of every situation. It is a fact that the meaning of what Affiliation entails for the society will undergo a change.

  What will probably change for the good is people’s way to enjoy their Senses, Imagination, and Thought. Since the community is less pressing on what a person should think and feel this capability is more able to develop. People will become more creative and are able to come up with innovative ideas that benefit economy, and are not hold back by the community influence.

  Practical reason is also more developed from the own perspective. Reasoning is unnecessary when things are already decided by the voice of the group. When an individual gets more space to reason for himself, the capability will become more available for the person.

- **Particularism > Universalism** – Preference formation has impact on the ‘Individual conversion factor’. When a few persons in function are to decide who is allowed to do what this factor is unequally spread over people.

  Particularism also influences which ‘Means to achieve’ become available, for example by choosing which producers can be in the market and who cannot. This indicates influence on the indirect conversion factors. In a more universalistic society people are more equal and therefore enjoy the same chances, a given that enhances the capability of Affiliation. People are not discriminated for who they are, and offered the same opportunities.
• Power distance > More equality – this value implies that society will get less hierarchical. Bodily integrity will develop for some, since it is no longer a fact that one has to obey somebody else, instead when people are living on equal foot they have to respect each other’s borders. Changes will also be notable in Affiliation were people need to find new balance in how they interact with each other. Senses, Imagination, and Thought will develop since people that were suppressed before can now express themselves and advance these characteristics. Being able to express is as well a development in freedom.

The development that will be gained is not just that people get more choice how they earn money by more employment and education, the social benefits and developments also play a role in the extension of their freedoms. The newly gained freedoms an individual has got through the transition in values or with assistance of social entrepreneurship can be assessed with the CA as a framework to evaluate the development.
6. Conclusion & Recommendations

This chapter concludes the key findings of this research by answering all the research questions stated in paragraph 1.4.2. Reflection on the performed research is given next to recommendations for further research.

6.1. Conclusion

In this section the main question of the research is answered and later elaborated on by answering the sub-question separately.

6.1.1. How can SE be promoted in Kenyan society?

The main question, how can social entrepreneurship be promoted in Kenyan society can be answered after finding the answers to the seven sub-questions of this research.

Kenya has a rich culture with its many different ethnicities. Despite this diversity a few values stood out to be prevailing. Not all of the found values are enabling effective social entrepreneurship and some are attributed to be beneficial to change into a more advantageous dimension. These values are the community feeling, particularism, power distance, and fatalism.

There are also changes in institution building attributed to be able to help to improve the business environment. To start with, corruption has a major negative influence on the business environment. Connected to this is the extended bureaucracy that enables corruption. And finally the tribal issues which is the most prevailing form of inequality in the country.

The aspects that were found as a solution to overcome certain problematic characteristics, or at least are a beginning to push society into a positive direction, were education, gender equality and urbanization. All three of these imply learning from others to create understanding and respect amongst society with more equality for every individual.

In the end of the research, an evaluation of the recommended future transitions is established with a model on the CA theory, explaining which changes will impact on which dimensions, and what freedoms they will bring.

6.1.2. What are the cultural characteristics of Kenya?

The research provides insight in the cultural dimensions that have a large influence on the specifics of the Kenyan culture. The most present of these dimensions is the community feeling. It plays a major role in society for the good as well as for the bad. To create a business environment where people are not afraid to do business with others than their community members,
people need to see others and themselves more as individuals in order to be able to establish a higher anonymous trust, from which a business environment can benefit.

Another difficulty in the Kenyan culture is related to the community bonds. The society would benefit from universal ways of treating others. Instead, particularism still plays a large role in business and frustrates an honest market.

The large power distance that rules in companies, is the cause of market saturation in two ways. Firstly, people are not used to take initiative since this is always suppressed from within tribal habits, in school, etc. Because people are never triggered to come up with something new the best way to start up a business is by copying what others do. Opening a stall for fruit as a neighbour of a successful fruit stall is more common than come up with a new idea. Secondly, employees do not feel appreciated in the job they perform by the hierarchical distance to their managers and leave the business with experience and tacit knowledge they have learnt in the business and try to establish their own company in the same branch. This way many of the same companies appear, often even next to each other, and the market becomes saturated.

The four cases that are described in section 4.1.2. give an image of the way the dimensions are displayed in the daily business of a company. A few remarkable overlaps and differences of the daily business are found in the case descriptions which are; mixing of employee types, employee satisfaction, equality and hierarchy, and employee training.

6.1.3. What is the state of Kenyan civil society?

A civil society requires a state that has to obey the law and freedom of individual thinking and expression. Both these requirements are not met in Kenyan society. It is visible by the attempt to move towards good governance and more equality in the country that civil society is coming up, but the markers prove that it is not yet fully developed in Kenya. There is no universalistic rule of law and society is divided in the many different tribes that are a barrier for a homogeneous society. One of the ways to evaluate this is by the relevant values of Hofstede and Trompenaars that are somehow required for a functioning civil society. These values, such as voluntarism and individuality, are not the dominating values in present day Kenya.

Furthermore, the Kenyan government is still publicly above the law and there is a large diversity in ethnicity, which is in most cases still more important than ‘being a Kenyan’. Re-establishing the forms for interaction is visible nowadays. People are pulled out of the comfort zone of the tribal communities when they move into the cities where all tribes and traditions come together. This will lead to a progress in forming a union were re-grouping is possible and with that a development towards a more established civil society.
6.1.4. How is the current state of entrepreneurship in Kenya?

During the fieldwork certain characteristics of the present day business environment were distinguished. The four that were found to be the most important are market saturation, trust issues, access to capital, and education.

Because of uncertainty avoidance people do not try to come up with new innovative ideas to start a business. Instead people show copying behaviour, to know in advance what they will encounter performing their businesses. This way, multiple of the same enterprises are located next to each other and the market becomes regionally saturated.

Trust issues are extensively present in Kenyan society. The manners of communities are changing which asks for new ways to communicate and understand each other. These are not established yet and people are searching for them. The people that are able to pioneer on the trust field, are also the ones who get to be disappointed the most, it therefore is a vicious cycle that is hard to break through.

Thirdly access to capital is discussed since it is a hindrance for many start-ups to collect enough money to invest in their idea. Banks do not provide loans easily and the money is very expensive due to high inflation. Interest rates of about 30% are normal and therefore form a high barrier to take a loan. More alternative providers of capital pop up, like SACCOs and micro-credits, but these also need not to be taken lightly, since the interest rates are not always as beneficial as they seem at first sight.

The last point addressed is the educational system. The schools system is established very well by the British. Since a few years all Kenyan children can go to public primary schools that are paid for by the government. And there is a tendency in the country that it is very important to be as highly educated as one can be. What could improve is the fact that the old British school system is still taught. This should change into a more suitable program established with the own cultural values embedded.

6.1.5. From what changes of values in a cultural transition would SE benefit?

The group feeling is very strong in Kenyan society. Hence community influences an individual’s choices to a very large extent. This is negative for entrepreneurship since new ideas and innovation are not stimulated this way, but are hampered instead. Another drawback is the lack of responsibility for the own actions since there is always a group behind a person. When the communities stay focused on their own goals and are not able to shift the interest to common goals developments will be hampered.
Particularism is a large barrier for the Kenyan business environment. When business is not about delivering quality, but about whom you know in which position, there is no incentive for innovation. This means that developments are obstructed by this value.

There tends to be a large power distance in most Kenyan companies. This can become a problem when the power distance gets too large. When people feel suppressed they do not feel valued, and the personnel cannot function in their best way. When the organization becomes less hierarchical a different form of communication can establish, where people feel treated with respect they are able to communicate their opinion on matters. Personnel can come up with their ideas for improvement of the company because they feel valued and part of the company.

The externalistic way of thinking that emanates from the tribal communities is in the way of creating new products or services to grow a business with. When there will be more individualism, the people become less fatalistic and when they take responsibility for their own actions progress is more easily made. New ideas can pop up and get room to develop.

6.1.6. From what changes in institution building would SE benefit?
Corruption raises serious barriers for entrepreneurships. To get licenses it is always easier to bribe the official than to wait the formal time because the waiting time is very long and the business cannot operate for all this time. The same goes for the electricity connection and other places where people understand the power they have can be of influence for the business. Corruption even increases transport costs, by the fees that have to be paid to the police control posts, to the extent that farmers from somewhat remote areas cannot sell their products in the cities any longer.

Secondly, the society would benefit when tribalism becomes less dominant in it. Tribalism hinders establishment of a real democracy, because the people tend to vote for a person of their own tribe, which makes the candidates of the largest tribes automatically the most likely to win the elections. Furthermore, mixing people stimulates creativity and development. When the tribal differences stay strong it would function as an inhibitor on progress.

Bureaucracy causes business to slow down, which is never beneficial when it is without a good reason. The bureaucracy also offers room for corruption and particularism, two factors that are very negative to the business environment.

6.1.7. What aspects can be identified as means to induce value transitions?
Training consultants provide courses in businesses to engage the employees to the company. When employees are trained it is clearer to them what they are asked for by the employer. This stimulates job performance, when the directions are evident it is also easy to act on them. Trustworthiness of employee and company benefits from this progress to a large extent.
The roles for men and women used to be much divided in the Kenyan culture. Nowadays, ladies are sometimes also able to get a “men’s job” and a voice in society. This provides progress of the values voluntarism and universalism, two important values for development of the whole country.

Urbanization forces different people to live closely together and learn about each other. It will slowly make the Kenyan people less different in ethnicity and more willing to be a ‘Kenyan’ instead of identifying themselves with their ethnic background. It will lead to more individuality and self-awareness.

6.1.8. Is it possible to evaluate these value transitions with the CA?

The CA can be used as a tool to evaluate progress in development, it cannot function to measure this progress. Measuring requires a benchmark and a measurement scale, which are not possible to be made absolute since the values are dynamic and not absolute. Conflicting interests also create barriers for determining what is good and what is better. The theory does provide a checklist of capabilities that can be used to assess the dimensions to witness the progress of social development.

In this research a model of Robeyns was used to evaluate targets of social entrepreneurships and value changes that would benefit social entrepreneurship. Her model was chosen since it has been used to evaluate social entrepreneurship in previous research and provides a good overview and clear insight in the factors that influence freedom of choice.

The development that is gained with the value transition and improvement of the social entrepreneurial business environment is not just that people get more choice how they earn money by more employment and education, the social benefits and developments also play a role in the extension of their freedoms. It is possible to assess these newly gained freedoms with the CA as a framework to evaluate the development.

6.2. Reflection

This chapter reflects on the performed research. The field research, the sources of the data and the way the data was analyzed are evaluated and used to draw lessons from for future research. Since the research is performed in an underdeveloped country this led to some surprises and sometimes barriers that were not suspected in advance. Describing these unsuspected situations and explaining the manners that were used to deal with them creates opportunity for future researchers to prepare for the situations and improve the ways to deal with them to gain more valid data that will bring research further.
6.2.1. Reflection on field research

The field research started off with a few connections that were already established from the Netherlands. A person from Tangaza College in Nairobi was found willing to connect the researcher with a few first contacts. In the rural area there was no useful previous established connection, but the Kenyans are found to be very willing to open up their network for a European student. This does not always mean that the connection that is offered is a useful source for data, but it shows the willingness to help. In the case of this research the group of people that were interviewed needed to be very diverse. Should one wants to research a certain sector it might be beneficial to gain more information in advance to connect with the right people and not waist too much time at location.

The fieldwork in Nairobi was performed with the use of a field assistant in the form of a Tangaza College student. This was very convenient since public transport in Nairobi differs significantly from the way Europe has established this and it is hard to reach a place you are not familiar with. Asking for street names is not useful; most Kenyans do not know the name of streets, but the name of markets, big buildings, etc. Since the streets in Nairobi are very long it also does not tell you much about where you need to be in the city when only the street name is known.

Public transport outside the city brings along some danger. Many car accidents happen because of the bad condition of the mini vans that are used for public transport and the condition of the roads. It is important to take enough time to travel; it is not smart to rely on the ‘normal’ travel time when you want to be in time for a meeting.

6.2.2. Source of data

The people in Kenya are so willing to help that they might also want to provide the answers that you are willing to hear. Success stories of entrepreneurs that started off poor and have flourishing businesses present day are no exception and is it necessary to really persist on true answers on certain aspects to get information that is useful for evaluation. Note to this remark is that this should be done without annoying the interviewee, since this will spoil the atmosphere in the room and it is even harder, if not impossible to get information out of an annoyed Kenyan. To approach people with humour is an easy way to go in Kenya, and you can win their trust during the conversation. People pretend to be very busy, but when you have an appointment somewhere even the busiest people have all the time in the world to talk with you.

A note for the cultural analysis is that most interviewees were entrepreneurs, a group of people that stand out from the crowd and are more internalistic by nature. They show ‘entrepreneurial’ characteristics, which means their habits are less conventional than the main stream. This way the data is influenced in the direction of people that are pulling transitions. The
data might be not valid to judge the present day main crowd, since the main crowd is lagging behind these early adapters. Hence what the data shows is the direction Kenya is heading to.

The sample is taken broadly with people that perform different roles in the company, gender differences, age differences, and of course people from different ethnical backgrounds. Since this group is so extended it might be better if the sample group was even larger. This was not possible because of the time span and the way things go significantly slower in Kenya.

Another problem I encountered was the language barrier. Sometimes it was hard to understand someone’s English through a heavy accent or poor level of the language. Many Kenyans speak English, but some mostly of the older generations did not go to secondary school and only speak their own tribal language. This is linked to the last hindrance that educational levels are not so high. In interviews it is therefore better to have the questions stated simple, in order to have the interviewee understand the question immediately. Otherwise, it can cause irritation that you have to overcome again by building on the interviewer-interviewee relation.

6.2.3. Data analysis
Since the research is a qualitative research all barriers for qualitative data analysis, as interpretation, bad expression, or false answers, are applicable. Interpretation is more difficult when the researcher comes from a different cultural background. Therefore, it was very convenient to start the research with the help of the field assistant, who could help to interpret answers and explain things that were not immediately understood by the researcher. After leaving the city to continue the research in the rural areas much data was gathered and patterns started to emerge that could later be tested with the field assistant and double checked in interviews held with people from universities and other institutions in Nairobi. With the critical judgment of the researcher, re-checking of the found information and the support of local Kenyan effective measures to overcome the barriers in data analysis were taken. Therefore it was possible to draw valid conclusions for the research.

6.3. Recommendations
After encountering many examples in the fieldwork of what to do and what not to do particular recommendations can be made for the way an entrepreneurship can organize the business to overcome problems that are found during the research. This section provides a description for this ideal organization of a company. Furthermore a recommendation is done for a training program for entrepreneurships. Since training consultants offer these programs to companies it is interesting what is drawn from this research to be useful subjects in a course. The final paragraph describes the recommendations for further research on similar subjects.
6.3.1. Recommendation for entrepreneurship

There are some problems and solutions found during the case studies in the fieldwork. When the four companies are compared a new, ideal organization structure for Kenyan companies can be established.

- Flat organization structure – Equality in the organization structure creates less distance between the manager and the employees and provides the company with low barriers for communication. When employee and manager are able to communicate the mutual understanding improves and this makes cooperation possible whereby the employee can bring in ideas for the company and feels heard and valued by the management. Naturally, their roles need to stay clear, thus the employee still needs to obey the manager to a certain extent.

- Weekly meetings on target and feedback – This works very well in the example of Ecosandals. The employees are involved in planning and feel heard when they are able to have their say how production should go. There can be an element of competition in this planning, that increases performance of the employees.

- Mix of gender age and ethnicity – It is very important to mix the team of employees in age, gender, and ethnicity. All different individuals come with their own benefits and with a proper mix a well-functioning team can be established.

- Reward on innovation – It was shown in the case studies of Sunray’s Solar and Ubbink that it pays off to reward employees that come up with a good idea to improve production or any other facet of the company. Employees feel heard and appreciated when their propositions are tried by the management.

- Training and employee satisfaction – It is important to watch the satisfaction of employees. In Wananchi Canvas Ltd. it showed that it is hard to have a continuous business when your employees are leaving you all the time. Other companies that were more successful provided good training programs and kept track of the distribution of the nice projects, for example abroad, among the employees. A company’s management needs to realize that employees cannot just be used as means. They are also ends that need to be satisfied to be able to cooperate in the business.

6.3.2. Recommendations for a Training Program

Training of employees is done more often in Kenya lately, therefore training consultants in Nairobi were visited to investigate how they meet their customers and provide effective courses.

To train entrepreneurs can probably be very effective to stimulate entrepreneurship and the business environment when it is done with the right techniques, since social development is not evolved much and the trainings make the participants aware of the reasons and motivations upon people act.
The provided training must be adapted to the Kenyan culture and traditions. When cultural values are not taken into account with soft skill training, the training will be completely worthless. For example when the subject is about hiring and selecting employees, it needs to be addressed if and why it might be a problem to hire a cousin. It is normal in Kenyan culture to take care of your family and providing them work is therefore an easy solution. On the other hand it can be very difficult to employ family, because they can make use of their privileged position.

A method that is said to be very successful in Kenya is to teach with role-play. Several visited training consultants used this method because it gave the best results. People can match lessons you want them to remember with real life situations and are therefore triggered much more to participate and remember it later in their work. Role-play also helps people understanding each other, for example when a manager has to play his supportive employee and vice versa, both of them learn much more about the others tasks and thoughts. This leads to more understanding and transparency and with that much better work relationships. Examples for training subjects are; soft skills as Marketing, HRM, Communication, Customer Service etc., but also other skills have to pass the revue like Machine Maintenance, Administration, and Accountancy.

The training can overcome a part of the barriers that were described before. Lack of cooperation and trust issues can be addressed by the role plays. These are used to understand each other better, for example an employee that is given the part of a manager can understand how hard it is to give people orders and make them cooperate and the other way around for the manager to receive orders in the role of the employee. With increasing the understanding it is as well possible to influence the power distance in organization structures. Traditionally the power distance is quite high in the hierarchical organizations that are common in Kenya. With less power distance more connection with each other and better communication is possible when employees get a voice in the way the firm operates. This can make the firm more efficient because problems in production can now be discussed and therefore solutions can be found.

The training cannot overcome the existence of corruption and bureaucracy, but it is useful to help entrepreneurs finding their way with licenses they have to purchase and how to avoid spending too much money on them. Dealing with corruption is as well a subject that can be treated to mitigate the influence this matter has on the business. Providing the training as much as possible in mixed groups provides the opportunity for the participants to get to know other people instead of judging them on their ethnicity, age or gender.

Access to financial capital is the last barrier that needs to be addressed and is also a difficult one. Training can teach the entrepreneurs how and where they can get capital for their business, for example by addressing a micro finance program. The loan systems in Kenya nowadays are not optimal. The interest rate can sometimes go up to 30 % for bank loans and can even
reach 50% for SACCO loans, a community-group loan. It might be possible to cooperate with a financial partner to teach about loans and how to handle finances the best way.

6.3.3. Recommendations for future Research

In this research an evaluation of development as a result of a shift in cultural dimensions was done. Since there was no reference of cultural values in the CA, this subject needs more discussion and input from others. It is a difficult subject, because value judgment on cultural dimensions is necessary. It evokes discussion because who can say what is good and what is less good in a culture? Every person has an own cultural background that makes judging without cultural relativism impossible. The value judgment for the dimensions is made in this research by determining what would be beneficial for entrepreneurship. So from which changes would entrepreneurship benefit, without regarding what the dimensions actually mean for the culture, since all aspects most of the time have two sides. A limitation in this research was that it had to do without references on the evaluation of cultural dimensions, therefore more research is necessary.

Secondly, it will be interesting to perform the research again later in time to investigate the developments that are described in this thesis and if they provide the people with the capabilities that are attributed to the changes in culture or institutional framework. An important event for the country will take place in the nearby future. The 4th of March is the day of the next elections for a new government (which is in the future at the time of writing, but will be in the past when this thesis is delivered). These elections are very important for Kenya. It is an opportunity for the country to show that the tribes can live in harmony with each other again and the establishment of Kenyan society as one union can continue. When the elections result in intertribal violence, like it did in 2007, the development of the country will be set back. The economy will fall back and the trust among the people will be damaged again. When this period of electing a new government remains peacefully, the Kenyans prove to themselves and to the world that they can form a union again and it will bring hope for a bright future. Either way, an important development for the country is about to happen.
7. References


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Appendix A. Observations

29-4-2012:

Community

Communal thinking does not make people work for a common goal. It works the opposite direction. People want things to happen, but there are also others that can do it, why would you then do it yourself? This is especially visible in changing the tribal separation. Kenyan people do believe intertribal marriage is a good thing to integrate the tribes, but when it comes to really doing it they do not like to be the ones to establish the change themselves.

Nepotism makes that a person cannot steal, because the resources stay in the community and nothing is lost.

Muzungu - Africans

Mercy tells me that the Kenyans like it when a Muzungu, white person, talks to them. This feels really bad, like they look up to you for a wrong reason, only because of skin color. I find it hard to feel that they want to get as much money as possible from me and this asking also makes me feel a little superior, because I am I a position to tell no all the time. This while I also feel that they are much tougher than I am.

Planning

Africans do not plan, they live by the day. An African tells me they do not think of the future in Africa only the past and the present. This came back in the morning classes as an item that actually does not stroke with Christian religion and African religion since the Christians believe in an afterlife where you can end up once you have lived a ‘good’ life. This would mean that the Africans have to think about their actions now in order to have a good afterlife. Now I think of it, Africans also want to become an ‘Elderly’ or an ‘Ancestor’ so they actually have prescriptions for living their lives. This only means that Africans have a prescribed role model that they use to live their live after. Not that they are able to plan the future in the way of saving for a pension for themselves or planning businesswise.
Logic is something that lacks in a lot of ways in African mentality.

**African culture**

The old traditions and rituals are very important for the Africans. That is why you still find a lot of herbalists on the street. In class was told that people get back to their African culture and let go of Christian religion and education.

**Religion**

The tribes were formed by the colonial government to have better control over the country and the missionaries that came to Kenya in those days were most often also appointed a region to spread their faith. This means that different regions are convinced to follow a certain religion, which created the situation that most religions are also followed by a certain tribe.

The church is important in Africa. It is another way to have your values subscribed and have a community to control the actions you take. This is what I find when I hear the lessons on African culture and religion. The way to act in life is prescribed, first it was by the African traditions and now also the later acquired religions have their impact.

I have an interesting discussion with pastor Raymond. He asks me which church I visit and I tell him the truth, that I do not visit a church. He asks me what I believe and I explain my thoughts. He really tries to understand and we end up in asking each other questions about our beliefs. He tells me that he thinks people like me can do good, have good values and can help other people, but it is only because I do what the community wants of me. You can only be truly good when God is in your heart and your actions come from there. This is exactly the opposite of what I think, I think the Africans do what the community expects of them and the expectations are formed by the religion they hold on to.

Before this discussion on my belief had started I asked the pastor whether he could see a role for the church in politics. This is a trend we saw at the nine o’clock news, a few young preachers started their own churches with a political view as binding factor. Besides this news input, I thought when the tribes are so separated, the religion could maybe play a part in bringing the people together for different reasons instead of only voting for people from their own tribes. Father Raymond said that the roots of the African traditions of tribes are more rooted than Christianity, so Christianity is not strong enough to be the binding factor between people.

We also talk about values. The values from the church were necessary according to him when the colonialist came. The colonialists brought smoking, alcohol, greed and homosexuality. With greed came selfishness and with that corruption. These brought a downfall to the community. Religion worked as a level ground of values to overcome these issues. That is why
father Raymond does not care in which God a person believes, only that he or she believes in a God so the person takes up certain values.

In my opinion he contradicts himself here. He tells me a person that does not belief in a God cannot be truly good because the values that such a person has are the values the community wants him or her to take up. On the other hand he says that people must have a religion to live according to those values. This does not make logical sense to me, in both his views values are imposed from outside and it is therefore impossible to have your own values.

This is what strikes me in more of the African culture and traditions. The community is important, religion is important, traditions are important. This makes that there is little room for individual thinking. Even worse, when a person has too much of his own, controversial thoughts the community falls over it and calls him/her a witch or even abandons the person. This leads to little self-deployment. When people are this much forced in old traditions and inhibited from their personal growth the development of the country is likely to be slowed down as well.

**Individualization**

I belief that there certainly are developments going on in this country. People have more ideas of what they think for themselves and are letting go of some of the old African traditions. For example circumcision is something that is let go by a few women. Some tribes have strong ideas about it, that a woman will not mature and stays a girl for her whole life when she is not circumcised. Now there are women that do not agree and maybe do want the lessons that were once given in the ritual of circumcision, but do not get themselves circumcised. Other tribes solve the problem by having the act done in hospital instead of the old rituals that they used to perform. This shows modernity is evolving and people do state their own values more and more.

With more people living close to each other like in the city, urbanization takes place. This brings specific features that I recognize from home, like people in the city do not great each other. Greeting is a big thing in communal thinking and in the villages it even shows something is wrong when you do not greet another person. This important value of African culture is disappearing in the big city. With traffic jams arising you see many traffic violations even in the form of people riding the wrong side of the road instead of waiting in line. This is also an indication that the drivers let go communal thinking and put their individual advantage before the community.

**Leadership**
A good leader is a necessity in a divided country as Kenya is. The tribes as well as the religions are divided and because of this the country is also politically divided with only tribal voting going on. Good leadership can overcome a diversity of problems. Nowadays the garbage is not collected, there are no good insurances, and there is no maintenance to the road. This is remarkable when you consider that Kenyans pay 30% tax over their salaries. Corruption and nepotism are part of daily life here. Fair and just leaders that are not out for their own good and power, but for a better community can put these practices to an end. Education can be an important pillar in this. It can open eyes of the youngsters, that have the future of the country in their hand, to not simply vote for the person with the same roots but with the right ideas and actions.

Good education can serve the Kenyan economy and political landscape. In order to form a stable country it is the best to have as many people as possible be able to take care of themselves and not forced to be dependent of the community. When the orphans from the slum are not given education they will probably never get out of the economic situation they are in. With education they are given a chance to live a better life and contribute to the Kenyan community. This off course serves Kenyan economy.

(After visiting an HIV/AIDS orphans secondary school of a Catholic Foundation)

Witchcraft

Africans belief that things happen for a reason. They have no influence on it. You are not able to have bad luck, a witch must have put a spell on you. The Africans do not believe that God puts evil on the world. They say that humanity has put evil in the world.

This means that there must be witchcraft taking place, because lots of negative events are happening.

You could say that Africans like to have no influence on their lives or do not wish to take responsibility for it. It is always the community saying something, the religion prescribing values, the old traditions influencing practices, and when these brings an unfortunate event on their path they have witchcraft to blame.

Election violence 2007

Raila Odinga (Luo) thought Mwai Kibaki (Kukuji) cheated. Uhuru en Ruto (Kalenjin) was (deputy leader of party of Odinga – together with Mudavadi)

Krygler South-Arican judge brought by UN Koffi Anan. Verdict was it is not possible to say who won.

Voting was peacefully. Than Odinga started losing, regions where he had the most votes came in first, than results were Kibaki won. Than Ruto started complaining that some results were not verified.
Malda Karuwa asked Ruto why he was raising questions when his party was losing and not before.

Some places had 100% turn up, this means that both parties cheated and at some places there was even more than 100% turn up. Also at Kibaki’s region was more than 100% turn up.

After counting no announcement of the winner. Kibaki’s people said there is no reason not to declare the winner. KICC (Kenyatta international conference centre) saw the abnormalities, but we cannot stay without a president. Whoever is not satisfied can go to court. Odinga and his people said we are not going to court because, courts are not free and fair. Instead they called for mass action. People went on the street

Uhuru send fighters to stop Kalenjins in Rifty Valley. The Kalenjins turned against the Kikuyu’s there.

Madaru (Kikuyu) and Kibera (Luo) slums were very violent.

Mdavadi was the prime minister. He was also a loyal of Odinga’s party. He left Odinga this week.

ODM orange democratic movement; Ruto, Kosgy, Sang (journalist with radiostation)

PNU party of national unity – Uhuru Kenyatta, Muthaura, Ali
Kosgy and Ali are not questioned for trial because there is a lack of evidence.

New constitution voting:

47 districts of the 7 earlier provinces. You need majority in more than 2/3 of the districts and 50% +1 votes from the country. This is almost impossible with tribal voting. Then there will be a run off with the 2 best. They have 2 weeks to compete against each other.

Vice President – state - President (Kibaki) - Government – Prime minister (Odinga)

2 deputy PMs (Uhuru Kenyatta (ODM)en Mudavadi (PNU))

President has to consult VP for state matters and PM for Govermental issues.

6-5-2012:
Men in bus with book about temperament; ‘The 12 temperaments a human can have’.

I ask him what he reads and why he is reading it. The man wants to know his own temperament to deal with his own character and recognize why he does thinks certain ways.

He is also interested in knowing why other people behave the way they do. This self-help books or psychology books are very common in an individualistic culture, since it is about a person’s self. The man tells me he does not like psychology at all. He just likes people. I think he finds it a little bit of a taboo to have this kinds of books or see them as interest in psychology. This can be because it is a new phenomenon since before you just acted the way you were supposed to act according to the community and that it is an indicator of a shift to a more individualistic culture. I cannot draw my conclusions to quick, but it seems to be the case that the Nairobians are way more individualistic as citizens then the community feeling that used to live amongst the people.

Luo’s leven uitbundig, ze geven veel geld uit en wat wij proleten noemen - mensen met een gemiddeld inkomen, kleine huizen en dure auto & kleding – zijn in Kenia vaak Luo’s.

De Kikuyu’s daarentegen draaien het liefst elk dubbeltje om. Zij zijn dan ook vaker succesvol in zaken en hebben over het algemeen hun zaakjes beter voor elkaar.

Masaii worden uitgelachen door bijna alle andere stammen, terwijl ze maar 2% van de bevolking beslaan. Je zou zeggen dat ze dus niet zo’n dreiging vormen dat om zo’n kleine groep gelachen hoeft te worden. Ik denk dat het is omdat ze juist zo’n trotse houding hebben, ze vaak lang zijn en een karakteristiek uiterlijk hebben. Het zijn veehouders en ook in de stad zie je ze langs de weg lopen met hun vee.

People come together when they experience a common enemy. Maybe Al Shabab can have a positive input after all. All though the church that has been bombed is also said to be on land that is wanted by many people in its surroundings. The news reports that the attack is claimed by Al Shabab, but it stays unclear why a small local church is target for them.

Ik heb meerdere keren mensen over iemand anders horen praten en dan benoemen dat diegene een ‘nice voice’ heeft. Blijkbaar is dat hier ook iets om te benoemen als; hij is slim, hij ziet er goed uit, hij heeft een fijne stem.

De klant heeft in Kenia niet zozeer een relatie met een bedrijf maar een relatie met de persoon die voor het bedrijf werkt. Een persoonlijke relatie is dus belangrijk (particularisme). Wanneer de persoon naar een ander bedrijf gaat of er zelf een start, gaat de klant dus hoogstwaarschijnlijk mee.

Praktijk voorbeeld van deze week is George Omego’s Canvas bedrijf.
The KACC (Kenyan Anti Corruption Commission) is trying to get a new chairmen. Good news since the last one was digging in MP’s lives to deep and got sacked. The attempt to find a new one is a step in the right direction.

A corruption scandal of the national health insurance is displayed out in the open. What used to be a good thing to help the poor became a way to put money in the pockets of owners of private clinics (mostly owned by MPs or relatives) instead of using the governmental hospital beds. NHIF = national health insurance funds. This funds was only recently established and now it is already big news because of this scandal.

The fact that this is all shown on national television is again a step in the right direction.

There is a minimum wage in Kenya that is just raised to 7000 KSh a month. This is 64,22 euro per month.

People pay tax up to a ceiling of 30%. When you earn nothing or little you do not have to pay tax. Then a small percentage raising with your income to a maximum of 30%.

There is a law on firing employees. When somebody has a fixed contract both sides, employer and employee have a notice of 1 month or more. This depends on the contract, the job, the years a person has worked, etc.

17-5-2012:

“Africans do not trust Africans” - quote of Mercy where I need to contact a guy she has been calling to meet but he hangs up on her. He hang up on me before and I did not understand a thing of what he said.

Last week I ran into distrust so many times. It seems key.

Ndewah: African individuals do not take responsibility. They do not reflect, but flee in their communities. Western individuality goes hand in hand with taking responsibility of your actions.

SACCO = Savings and Credit Cooperative Society) most 14% rate per year, but you have to be a member and have to have saved with them for at least 6 months. And you have guarantors that guarantee you. They multiply what you have by three.

Stay away from the Luo men near Kisumu. They are charming but most of the time have several wifes and a lot of AIDS.

1-6-2012:

De havens zijn een opening voor South-Sudan (olie en geen andere optie dan de haven in Lamu want ruzie met noord Sudan), Rwanda en alle andere landen in dat gedeelte omdat Congo altijd in oorlog is (zelfs makkelijker van Oost Congo naar de kust van Kenia te komen dan naar de kust in West Congo). Om dit te realiseren moet er wel echt iets gedaan worden aan de infrastructuur. Dit gebeurt wel, maar erg langzaam (te langzaam). En grote files en hoge voedselprijzen in de steden zijn het gevolg. Dit is een grote rem op de economie.

Tribal Stereotypes:

- Luo’s work. They work hard, and also spend their money to live their lives luxurious.
- Luhya’s are quite similar to the Luo’s
- Kikuyu are lazy. They are often owners or middleman, so they make their money with sales. The place in the chain where the money is made without the trouble of the work. They are good in the bargaining process. Most hotels are owned by Kikuyu’s but the people working there mostly Luo’s
- Kamba’s are from the East of Kenya, between Nairobi and Mombasa. The economy there is not so good, they try farming but the drought always affects them first. In Nairobi they are known for their trustworthiness. They make good employees for this reason.
- Meru make money out of their Mira business. Sometimes big money.
- Kalenjins are famous for: 1. Running, 2. Farming, 3. On the road with tractors & trucks (skills acquired because of farming), 4. Security, army and police force
- People from the coast are lazy. They are telling stories all the times and are famous for gossiping. (different tribes; miykenda, sahita etc) The ladies there are very pretty with light skin and beautiful eyes because of the mix with the Arabs.
  The Kikuyu’s are now going to the coastal regions to exploit the tourist business there.
- Turkana have their kettle and are almost always fighting about that.
- Rendile, Burana and Samburu in the region Isiolo and Marsabit all have kettle as well and are also always fighting about it.

N.B. information retrieved out of a Luo, so they might come out very positive here ;)

Masai wear the rings through their ears and the circles in their lips to be disqualified to be sold as a slave.
29-6-2012:

Tijd
Iedereen zegt het druk te hebben, maar heeft vervolgens heel veel tijd voor mij. Hebben ze het dus toch niet zo druk. (Lawrence gesprek van 1,5 uur, Josphat Kariuki heeft de rest van de middag uitgetrokken)

“Time is money” is misschien gekker dan hoe het hier in Kenia gaat dat tijd een useless concept is. Hoe komt het eigenlijk dat we waarde hechten aan tijd, betaald worden per uur, en minder aan hoeveel geproduceerd is? Voor productie betalen lijkt als je objectief kijkt een veel logischere manier van belonen.

Service
Tafadhali is een van de laatste woorden Kiswahilli die ik leer. Het betekent ‘alstublieft’. Niemand, maar dan ook echt niemand (!), gebruikt het. Over beleefdheid of service gesproken. Dat zit dus echt niet in de cultuur.

Globaliseren
Globalisering, urbanization en andere culturen leren kennen laat je reflecteren op je eigen cultuur en een ontwikkeling doormaken. Het geldt voor mij, maar ook voor de Keniaan die nog nooit zijn land uit is geweest, of de traditionele Keniaan uit Marsabit die nog om een stuk vee aan het vechten is die een enorme ontwikkeling doormaakt door Nairobi te bezoeken. Je realiseert je dat er meer is dan de dingen waar je je in je eigen omgeving druk om hebt gemaakt en kunt het waarschijnlijk beter relativeren.

Corruptie
Jezelf vrijkopen als je gearresteerd wordt is geen bribing. Het is gewoon toegestaan. Hierdoor kunnen mensen met geld, overheidsmensen door corruptie, doen wat ze willen zonder ervoor gestraft te worden!

Business
De Indiase mensen in Kenya doen geen moeite aardig gevonden te worden. In tegendeel. Ze zijn hard en bits en heel duidelijk over wat ze willen en wat gedaan moet worden. ‘Bossing around’ is de goede uitdrukking en iedereen lijkt er ook van onder de indruk.
Wananchi is the most common name for businesses. Shows something about the creativity. It means something like ‘from the fatherland’. It is used in all different businesses possible, which makes it hard for marketing. For example you have wananchi tents, vegetables, shoes, hardware, supermarket, clothes, etc. etc. etc.
### Appendix B. Interviews

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Interview 1 - Mama Cynthia

Interviewee: Mama Cynthia
Business: Vegetable and grocery shop
Date: May 1, 2012
Location: Ngong Road, Santack Estate, Nairobi
Contacts: -

Background

Mama Cynthia started her shop 13 years ago with tomatoes, fruit, and unions. She came from Kisumu and was also working as a maid. She wanted to be in business so she tried a few things like clothes, but food provides the daily income that she needs.

The day start early, she goes to the market at 4 in the morning, in a car together with 3 other ladies also owning a shop. At the market she knows certain suppliers that know the quality of products mama Cynthia wants. When they do not have her product some will call in advance to tell that she has to go to some other seller, or when she is late they call her how many they have to save for her. On her way back she travels with public transport to her shop in the compound. She uses carts and because it is not busy yet, she gets them at a fair prize and the boys know her by now, which is why they will not let her stand out there when it is raining, the have to take her.

She started alone, when she was pregnant she employed a girl, a friend. When mama Cynthia went to the market to buy her supplies, the girl would open the shop for her and sell things for the first few hours. After 4 years the friend stole money from her, because the girl thought mama Cynthia had enough money since she could afford the new place to have her shop. She thought it was not possible to expand because she had so little money after paying all her fixed costs. After a while she did not have money to pay the employee anymore, so she send her home. Then she noticed that she made more money than before. Called the employee which denied she had stolen anything, but it was too obvious.

The shop houses in an impermanent shop. This means it can be broken down immediately. This is why she pays the city council for her licence daily. This 50 Ksh a day depending on the size and business of a shop.

Selling fish was a try out. This ended with the girl that deceived her. She does not trust an employee and is not able to do everything all by herself. The fish sold, but ended because of this.

Competition is killing. The other shops were very mad at her when she came to her current place. They tried to close her shop and are not nice to new competition. The shops here would never direct a customer to another shop when they do not sell the product he or she wants. They will never collaborate or grant each other anything.

The attendant of the house were the small stall of mama Cynthia is in front, and she is also renting from, is away now. When she is back they have plans to make a small shop in the house to extend it. Now a passenger is not able to see all the products she is selling, which
would be possible when she could have the new shop. There would probably not be more products she wants to add to her collection, but she always gets things a customer asks for so she has it the next day. This is also the way she extends her assortment of products. The most asked for product is the next one to put in.

Prizing of products. Product prices depend on how much she had to pay for the products at the market that morning.

She has a loan for everything. To pay school fees and uniforms for her five children she has a large loan which she pays off with 3000 Ksh every week. She would like to buy the house behind the shop now, but she cannot get the loan at the moment.

The strength of her success lies in the fact she knows the neighbourhood very well. She knows her customers and gives them what they want. She has a little talk with everybody with a soft calm voice, is fair and explains her prices. Next to that she has the best location and makes sure that she has what her customer wants. Some people have debts at the shop, but she can keep track of those persons really well and does not even need to register everything. She can just remember who still needs to pay and who does not. When somebody avoids her while he still need to pay she sends a kid and will go to the house herself eventually. She will not be mad at the person when she has got her money.

Future, buy the house where she wants to start the shop in. She would like to have a fridge in there, which she would get for free from the milk supplier and Coca cola. Now she does not use any electricity, but cools with ice. The house were the shop would come already has electricity, she would only have to have her own meter.

The other rooms can be rented to other people. She would only need a little one for her and the kids and she can make money out of it. She can only see her kids working for her after what happened with the one employee. She has one daughter that seems interested in her business. The others will take over as well and take care of her when she is too old to work.
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<th>Example</th>
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<td><strong>(In)equality – Power distance</strong></td>
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<tr>
<td>Individualism - Collectivism</td>
<td>Collectivism</td>
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<tr>
<td>The strength of her success lies in the fact she knows the neighbourhood very good now</td>
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<tr>
<td>Masculinity – Femininity</td>
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<tr>
<td>Uncertainty avoidance</td>
<td>Not avoiding</td>
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<td>Selling fish was a try out</td>
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<td>Long term orientation - Short term orientation</td>
<td>Long term</td>
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<tr>
<td>The others will take over as well and take care of her</td>
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<tr>
<td><strong>Universalistic – Particularism</strong></td>
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<tr>
<td>Individualism – Collectivism</td>
<td>Particularism</td>
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<tr>
<td>She knows certain suppliers</td>
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<td><strong>Neutral – Affective</strong></td>
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<tr>
<td>Neutral</td>
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<tr>
<td><strong>Specific – Diffuse</strong></td>
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<td><strong>Internalism – Externalism</strong></td>
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<td>Internalism</td>
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<tr>
<td>Mama Cynthia works hard to give their children an education, she takes the future in her own hands</td>
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Interview 2 – Josphat Oduor Osogo

Interviewee  Josphat Oduor Osogo
Business  Joze Metal Works
Date  May 1, 2012
Location  Off Ngong Road, Behind Shalom House, Nairobi
Contacts  0711580607

Background

Josphat Oduor Osogo is the director of Joze Metal Works a small enterprise that specializes in metal works containing Sculpture Design, Metal fabrication, Metal doors & windows, etc.

Transcription

Enterprise Background

Josphat started the company 2 years ago in 2010 with two friends he knew from primary school. They were all skilled as metal workers and together they were able to get a workshop in the neighbourhood of Ngong road. The road itself was full with workshops so they were very happy that they could have a place there. They went into metal works because they felt they could earn more with this business than with engineering of cars, since there are already so many engineers around. There certainly is competition around. There are more enterprises doing the same thing in Nairobi. This company’s success lies in the fact that they are young workers and are able to make new things very fast. They are innovative and able to work quick.

There are 8 employees at this moment, all fulfilling the things that need to be done. The employees see what has to be done and they will do it. Josphat is the director and differentiates his job by working at the road site as a seller or working in the workshop. He also divides gives the employees their salary, himself a bit more as the director and saves a little for the future of the enterprise.

New ideas mostly come from Josphat, his idea of innovating is to get pictures of a new animal from the internet and try to realise that from metal. The machines the enterprise uses are made by local people because it is too expensive to purchase them. Josphat takes care of the safety which exists of wearing a torned overall and sunglasses against the bright light of the welders.

Influences & barriers

Competition is the largest barrier for the local market. There are many more others that have the same business as this group of men. They want to expand even to Uganda and other neighbouring countries, for now they have only one selling point to where they carry the goods to with each other instead of using a car.
Only thing that government influences is their permit for being where they are. The enterprise pays 100 Ksh per week to have a licence to exist at the place they are located now.

**TRC**

The selection of the employees is simple. Josphat goes to the village and see who is able to do the work as good as he is able to do it. Then he asks them to join the enterprise. At this moment all eight of them used to go to the same primary school, so they all know each other for a very long time. They all belong to the same tribe.

As a director Josphat is the boss and he does not want discussion. When there is disagreement in the company they make jokes to let each other know how they feel. This is their way and it works. The director still has the last word on everything, so there is some sense of hierarchy.

The employees get paid for the pieces they make in a week. When there are not enough sells the salary cannot be paid, but that is most of the time made up in the following week.

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<td><strong>As a director Josphat is the boss and he does not want discussion.</strong></td>
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<td>Individualism - Collectivism</td>
<td>Collectivism</td>
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<tr>
<td><strong>They all belong to the same tribe</strong></td>
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<td><strong>all skilled as metal workers</strong></td>
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<td>Universalistic – Particularism</td>
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<td><strong>they all know each other for a very long time</strong></td>
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Interview 3 – George Omego

Interviewee George Omego
Business Wananchi Canvas & Tents Co. Ltd
Function Managing Director
Date May 2, 2012
Location Ngong Road, Santack Estate House no. 2170, Nairobi
Contacts +254 722 897 175
+254 20 802 5 731
wananchicanvas@rocketmail.com

Background

George is the owner and managing director of Wananchi Canvas & Tents Co. Ltd, a business that can make any canvas or leather design. The company does not specialize in one product, but makes safari tents, small camping tents, light tents, car covers, seat covers, bags, wallets, cupboards, cooling bags, party tents, etc., etc.

Transcription

George worked at Sandstorm, a Western company in canvas. This is where he got the idea to start for himself. He took some of the other employees with him to work in his company Wanangi canvas. This happened 15 years ago, in the meantime his employees of that time started a canvas company for themselves.

The company makes all kinds of products, especially tents and bags, but also seat covers and everything you want them to make for you in canvas, PVC or leather. At this moment he has 5 fixed employees that he selected because he knew them or via relatives.

George also trains boys and girls that want to become a tailor or designer of canvas. For this a student pays 50,000 KSH for an education of 2 years. The first half year the students do not get payment. After that period he gives them a small salary. With the training he almost makes no money, because he says this is paid back to the students through the salary which leaves him with nothing out of this. Even worse, some of his students have also started their own canvas companies and took his customers with them! This is because they visited the customer because George could not go and they were able to build up the relationship with the customer this way.

At this moment the company has, according to George 5 fixed employees and a few extra that he can call when there is work for them. On this depends whether an employee is paid in a fixed amount monthly or per product he delivers. When there is a large order, everybody works late hours and sometimes in weekends. When this happens a bonus is paid right after the order is paid.

The company has 7 electric sewing machines, but 3 or 4 are broken. One person is appointed to take care of the machinery.
For the future George wants his company to expand to Tanzania, since there are no canvas manufacturers there. He tells me all he needs to establish this is a partner who can bring capital in.

George gets his canvas from different African countries, Tanzania is his main supplier. They have price arrangements depending on the quality he asks for. He communicates with them via telephone and email when he places an order. They do not have a routine in doing just he just lets them know what he wants in the way that is most convenient at that moment and they deliver a nota.

When something goes wrong they talk about the matter and solve it together. He is always looking for other suppliers that can give him better deals.

The company success lies in the fact that they can make anything you want. Just tell or show and they will produce it for you for a good price.

George himself is always looking for customers. He is the one going out to represent the company at safari parks and lodges. He does not have money for other kind of marketing. The customer is always special because he the company makes the product exactly as the customer wishes.

When a product is damaged Wangangi canvas offers a service to repair. The customer can bring the product back and it will be fixed against a small price. The safari tents are serviced at the location where they have been put up so the customers do not have to move the tents again.

George’s function as the manager is mainly to find new customers. That is why he is away a lot. He is also the supervisor and the one that does orders for material. His secretary Norah is the one controlling the money and paying the employees.

The transport of the products is done by the customers themselves. The company does have a car that is not functioning right now.

The company has a loan at the bank, this is there from the beginning and the company is still paying back. There is no capital buffer. When a customer places an order a deposit has to be paid to make the company able to buy the materials. There are almost no materials in stock because of lack of capital. When the client does not want to pay the deposit a loan is taken from ‘friends’ in order to collect the money. This goes for the same or even higher rate as a bank’s loan, but that is harder to get and would take up too much time to get so he has no choice other than to do it this way.

There is a hierarchy structure in the company; first comes the manager and his secretary, then are the tailors, the cutters and the bonders. The tailors, bonders and cutters in this order in because of the hardness of the skills.

George tells that he listens to his employees. They get a chance to say what is in their minds, he is eventually the one taking decisions.

George is the one that makes a planning when a large assignment comes in and looks after the implementation of this planning.
The governmental regulations for this business are the standardized regulations for all companies; VAT-tax, city council, NSFF (= security) and NHIF (=health insurance) this is 7000 KSh a month. When an employee gets sick there is an insurance. This NHIF insurance takes care of the costs for a hospital bed. The medication the employee needs are for George’s expenses and the salary of the employee needs to be continued by the company as well.

There is cooperation in the sector. The canvas companies come together to discuss what is going on in the business and how to improve. Most of the enterprises of this cooperation are former students of George, the ones that stole his customers.

The main barrier for growth for his company is according to George, like he said before, lack of capital. He thinks he can expand, even to Tanzania, when he finds a partner that is willing to invest.

Remarks/Lessons

During the interview George is scratching his head and hiding his eyes almost half of the time we are talking. Sometimes he sighs deeply before he answers. He looks ashamed of his business not going as well as he wants and all the things I am asking are maybe confronting for him.

I have to go back to George to ask him more questions about:

- The cooperation between him and his former students that started their own business.
- How does he make his planning for big/multiple assignments? Write down & hang up, different?
- What was security for his loan at the bank?

When I went back two months later, George described that he cooperates with some of his former students whenever he has a big assignment and needs help. They also return the favour.

He has no method for planning next to the meeting about the assignments that is held weekly.

His house/workshop serves as security for his bank loan. But he prefers to borrow money from relatives.
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<th>Dimension</th>
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<tr>
<td>(In)equality – Power distance</td>
<td>Hierarchical hierarchy structure in the company, he is eventually the one taking decisions</td>
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<tr>
<td>Individualism - Collectivism</td>
<td>Collectivism he knew them or via relatives, one tribe (Luo)</td>
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<tr>
<td>Masculinity – Femininity</td>
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<tr>
<td>Uncertainty avoidance</td>
<td>Avoiding uncertainty This is where he got the idea to start for himself</td>
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<tr>
<td>Long term orientation - Short term orientation</td>
<td>Short term For the future, There is no capital buffer</td>
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<tr>
<td>Universalistic – Particularism</td>
<td>Particularism he knew them or via relatives</td>
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<tr>
<td>Individualism – Communitarism</td>
<td>Communitarism he knew them or via relatives, one tribe (Luo)</td>
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<tr>
<td>Neutral – Affective</td>
<td>Neutral George tries to hide his emotions</td>
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<tr>
<td>Specific – Diffuse</td>
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<tr>
<td>Achieved – Ascribed</td>
<td>Ascribed Employees are put in certain positions because they are familiar with the</td>
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<tr>
<td>Sequential – Synchronic Time</td>
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<tr>
<td>Internalism – Externalism</td>
<td>Externalism Georges attitude is very fatalistic, his only remedy for his company is to receive capital</td>
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Interview 4 – Fedric

Interviewee Fedric
Business Wananchi Canvas & Tents Co. Ltd
Function Tailor
Date May 2, 2012
Location Ngong Road, Santack Estate House no. 2170, Nairobi
Contacts + 254 722 897 175
+ 254 20 802 5 731
wananchicanvas@rocketmail.com

Background
Fedric is one of the fixed employees, he is working at Wananchi for 2 years. He asks me brutally to buy him lunch after talking to me for 5 minutes. I decide that that is a good way to ask him everything I want.

Transcription
Fedric tells he is 29 years old and was an engineer before. When he got into a serious accident he had to stay in hospital a while. When he got back to his job they had papers that he got killed in the accident and his job was given to a manager’s son.

Fedric became a driver and watched tailors doing their work in his waiting time. This is how he learned. Then he went to George and works for him as a tailor and since he is an engineer as well he is also in charge of the machines.

He likes his job, but is not very reliable, he says himself, because he drinks. When he has drank too much he likes to stay away until everything is good again.

Fedric likes the job, he likes tailoring a lot. He does not mind what other people think and enjoys his freedom.

Remarks
Fedric was very open about his life, but not very informative business wise, because, so I believe, he could not care less as long as he can do whatever he wants. Back in the workshop Norah tells me Fedric is only still an employee because George is his uncle.
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<td>(In)equality – Power distance</td>
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<tr>
<td>Individualism - Collectivism</td>
<td>Collectivism, Fedric is only still an employee because George is his uncle.</td>
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<td>Masculinity – Femininity</td>
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<tr>
<td>Uncertainty avoidance</td>
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<tr>
<td>Long term orientation - Short term orientation</td>
<td>Short term, No future is planned what so ever</td>
</tr>
<tr>
<td>Universalistic – Particularism</td>
<td>Particularism, his job was given to a manager's son</td>
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<tr>
<td>Individualism – Communitarism</td>
<td>Communitarism, Fedric is only still an employee because George is his uncle.</td>
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<td>Ascribed, Fedric is only still an employee because George is his uncle.</td>
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<td>Sequential – Synchronic Time</td>
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<tr>
<td>Internalism – Externalism</td>
<td>Externalism, With drinking a fatalistic attitude comes up</td>
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</table>
The second day in the company I decide to interview Norah. I spoke with her the first day and she seems to know a lot and knows the company’s ins and outs.

Transcription

Norah and I talk about the organization and hierarchy in the company. When I ask her about it she tells me some new things. For example that in rank after George is his wife Emily that is on the payroll as a manager. In reality Emily runs a salon and is not involved with the company in a daily basis otherwise than that she lives in the house attached to the office and workshop. Emily gets a full salary, in the meanwhile she runs a hair salon.

After Emily comes Norah, she functions as the secretary, accountant, and supervisor of the company. Then there is Duncan the only real full time employee. He is a designer, bonder & cutter. He works at least from 8.30 to 5, but tends to come earlier and is sometimes even working in weekends. He is the final real fixed employee.

I write real because Fedric is officially also a fixed employee. He only gets paid when he has actually been at the workshop, because he is a drunk. Norah keeps track of him being there and pays him the amount of hours he has worked.

The other employees are Maina, a tailor that works on commission because he wants it. He can make more money that way. Raymond, a student designer, that sometimes gets a little commission for his work but is not paid yet. The other student is Brian, also not yet receiving any money.

The last one on the payroll is Shivanzi, the watchmen. He is working for the company since 2006 and is the only one that is not from the Luo tribe. He is a Luiya.
George finds his employees via relatives which is why there are only Luo working there. Duncan and Fedric are both his nephews. Norah is a friend of Emily and was asked for the job because the previous girl sitting there could not cooperate with George.

Norah pays the employees monthly when business is well. When it is less well she pays them weekly. I cannot lay my finger on this, but I guess it is more safe for the company to do it this way.

Norah is like a mother for the company. She cooks them tea, supervises the work, guards the spools with tread, and whenever the employees have a problem they will come to her for advice or to let her deal with George for them. The guys think she is strict but they also trust her.

Norah sometimes tries to fix the problems the employees come to her for, without telling George because he might be mad and she thinks it is better to solve them whenever that is possible.

Remarks

Norah provides a lot more insight in the business structure. She understands and speaks English very well which makes it much easier to talk with her than with the other employees.

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<td>(In)equality – Power distance</td>
<td>Hierarchical and hierarchy in the company</td>
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<td>Long term orientation - Short term orientation</td>
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<td>Internalism – Externalism</td>
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Interview 6 – Duncan

Interviewee  Duncan
Business     Wananchi Canvas & Tents Co. Ltd
Function    Designer
Date       May 3, 2012
Location    Ngong Road, Santack Estate House no. 2170, Nairobi
Contacts  + 254 722 897 175
          + 254 20 802 5 731
          wananchicanvas@rocketmail.com

Background

Duncan is the only one craftsman that is working regular hours at the company. He is a designer and bonder, but not a tailor.

Transcription

Duncan works for 4 years in the company. He went to Nairobi when his parents died. This is why he did not finish school and has not family but George.

Duncan sees the company as a second home. He can always be found somewhere around the workshop and even comes on Sundays (Saturday he goes to church)

He likes the work and says that he can tell George anything because he is such a good boss. He is very loyal to the company and likes to explain and show us everything.

Duncan is the one that can make everything. He takes measures and is able to reproduce everything, not come up with new ideas.

The group of employees is a real group of friends according to him. They do not seem very warm to each other in the time we are there, but that might be because their attention is more going to Mercy and me then to each other.

Duncan is especially fond of the large safari tents that they make.

Remarks

Duncan does not understand and speak English very good so it is hard to retrieve solid information out of him because he tends to say yes or repeats the last thing you say whenever he does not understand. I am trying to ask him open questions, but there is a natural tendency to make yourself clear with closed questions when somebody does not speak the same language.
Ducan is also very quiet when the other employees talk, especially Fedric and Raymond. They have a bigger mouth and Duncan comes across as young and very insecure.

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<td>Internalism – Externalism</td>
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Interview 7 – Raymond

Interviewee  Raymond
Business  Wananchi Canvas & Tents Co. Ltd
Function  Student – Designer in training
Date  May 3, 2012
Location  Ngong Road, Santack Estate House no. 2170, Nairobi
Contacts  +254 722 897 175
          +254 20 802 5 731
          wananchicanvas@rocketmail.com

Background

One of the present students. He is training to become a designer.

Transcript

Before Raymond came to work here he was in marketing and business. He used to sell mobile phones and electronics. When that did not work out he saved an amount of money and decided to become a student here.

He knows the company because he used to come here with his mother. That is how he knows George. He would walk around the workshop as the little boy he was and especially loved the different bags that are made here. He wants to be a designer for the freedom of designing and in order to make his own bags and is indeed more creative and innovative in this than the others. He is sitting behind the tailor table and tries to teach how things are done. He is not very precise in tailoring and assisting me. This could be because he does not care, or it might be that he really is not that precise.

He is in training for 2,5 months already and after 6 months he will get paid as well. His vision for the future is that he is a designer anywhere, as long as he gets paid he is satisfied.

Raymond shows a lot of initiative and gets positive feedback on this, especially from Norah, sometimes from George. When we come in that morning he is fixing the path between the office and the workspace out of his own initiative.

He likes the other employees a lot, he says they are a group of friends that can tell each other everything. When they do not agree on matters they tell each other. George tends to have meetings with all employees to discuss how things in the company are going and hear how everybody is involved.
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<td>Masculinity – Femininity</td>
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<td>Uncertainty avoidance</td>
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<td>Long term orientation - Short term orientation</td>
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<td>He is purchasing a dream, steps our of comfort zone</td>
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<td>Specific – Diffuse</td>
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<tr>
<td>Achieved – Ascribed</td>
<td>He is training to become a designer</td>
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<td>Sequential – Synchronic Time</td>
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<td>Internalism – Externalism</td>
<td>Internalism</td>
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<td>shows a lot of initiative and gets positive feedback on this</td>
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Background

Haijo Kuper is originally from the Netherlands and lives in Kenya to manage the Ubbink company in Eastern Africa.

Transcript

First company goal is to make profit. Manufacture solar panels. It is a joint venture between a Dutch company named Ubbink, and a local investment company, also owner by Chloro Exide which is the largest exhibitor of batteries and also of solar panels in East Africa. So we use them as a starting vehicle to develop sales. Ubbink also makes solar panels in NL, so the company here is to make profit and also a CSR project for technology transfer. We are the only manufacturer of solar panels in whole of Africa except for South Africa. The company goal is thus twofold, making profit and establishing a technology transfer and developing the solar panel industry here.

Where did the idea come from to cooperate and start this project?
The whole idea came from the CEO of Centrotec, Centrotec is the mother company of Ubbink. It is a German stock exchange listed company. The CEO is a Dutch guy and he said well let’s instead of us donating money through NGOs to show that we are a CSR company, why don’t we use some of the technology that we have in house and transfer it to over there. Not expecting the return on investment that we normally do with European investments. Then the relationships were already there with different companies in East Africa and Kenya is by far the most advanced, that is from a financial perspective. So if you deal with a foreign currency this is the most open country. You have to bring in dollars and you have to move dollars out so the foreign currency regulations are best here. You have well educated personnel is by far highest. The market is also well-developed. Of East-Africa here is the biggest market, so you have a good home market. Those where the key reasons.

Where boards of East African countries already open in that time?
Boards open is a big word. It has become easier, but it still takes a lot of documentation. It has improved. It is easier now to transport to Uganda then to Ethiopia.
Market now in; Tanzania, Uganda, Kenya. And exploring, South-Sudan, Rwanda & Ethiopia.
Do you notice bad reputation of solar panels here, that results from the bad quality control?
The national bureau of standards do have a quality control. They provide with KEBS certificate Uganda & Tanzania have the same. The strength of those organizations is not capable of handling the amount of inflow of goods and they do not have the testing equipment that they would need to do it Having said that, especially the Kenyan one is very strong and we try to cooperate together with them, because we have facilities that they don’t have. Testing facilities and show them how they can improve. And that is one of the reasons why we are here.

Where do supplies come from? Do you import everything or do you have local suppliers?
Basically, for the components there are no suppliers in the whole east of Africa, except for south Africa. The reason for that is because there is no demand. So they come from Asia, China, and from Europe, the Netherlands, Belgium, Germany, Italy. Then all the other supplies are local supplies, so all the services, facilities, catering, security, all the production and consumables.
You cannot compare the one with the other since you have difference in type of request between general services and electronic components suppliers.

What is typical company success?
The key success is the quality of the personnel. It is really good to work with Kenyans. Not just because of the education levels, you cannot compare the education level with Europe, it is still very much factual learning instead of thinking learning. When you look at a manufacturing cooperation you only need two or three thinkers out of a hundred people, so you want people to execute. And the motivation and dedication with which the team here is able to execute is better than you get in the Netherlands. They are far more flexible, more eager to learn. They see it as an opportunity in life. Whereas in the more established economies you might not find people that are so flexible and really leave a legacy.
That could definitely be because of the unemployment rate here and we do offer a fairly good salary.

What training and education do you provide?
We do not educate in general, I have no interest in giving somebody and MBA because there is no point, you provide and then the person moves on. So we educate only specific for the needs of the company. So we give training how to make a solar panel and what does a solar panel do. We give training on production management philosophies. We believe in the Japanese philosophy of Kaizen. It is based on the Toyota production management system. We are implementing that and I want people to be trained to be capable of doing that. I want specific people to be trained in quality management. The training that we do has to be directly applicable to the job related.
We do have general type of programmes, but they too have to be directly related to the company. Like HIV understanding and awareness. It is CSR, I do not give it for free, when I have healthier people I get the benefit from it. The majority of the people are around their 25-30s, so highly sexual active and are a high risk group.

Do you contract people to stay after their training or not?
That depends, there are a few people that went to Europe to be trained in manufacturing in solar panels. Those ones have a certain amount of years that they have to stay at the company or otherwise they have to pay back for their training.
We also give training on company culture. How to be a responsible employee and that people understand that the job that they do they have to do good to get the results. Our local investor has several companies and they also work with local, Kenyan consultants. The ACT institute, they really give good interactive classes to get everybody together. They use the 7 habits of highly effective people, of Steven Cofey. This is the basics of their methodology; I am a responsible person and I decide in life what I do. If you have that attitude in life that also applies to your manufacturing.

*Is there any influence of religion in your company?*
We don’t have a mix. All employees are Christians. We start every shift with a prayer. This is something the team came up with. And I am fine I have no problem with that.

*How is the day planning?*
We do shifts per week. They work during the day or during the night. It is 5 days a week 24 hours a day. Shifts are from 8-6 and an hour of break in between. That means 9 times 5 is 45 hour workweek which is normal in Kenya. Kenya is actually 48 hours (another advantage of being here for the company).

*How is the company structure?*
I run the company on a daily basis. I have a management team of Marketing, Finance, HR, Production and Quality. Together with me there is a board of directors. There are 5 directors including myself, two are in the Netherlands and two are local. They have other day jobs. We come together 2 times a year for the bigger decision making of the company. We work with an authority schedule. I can make the decisions and sign up to a level of certain agreed parameters. It gives clarity were you can decide or when you should or shouldn’t involve others.

Then we have a group for middle-management, so assistant accountant, stores keepers, shift leaders, Kaizen coordinator, logistics coordinator, marketing intelligence. The rest are all operators or administrative functions.

*How many employees?*
50 employees, we are not a small size company anymore. Turnover this year will be more than 200 million dollars. It is not just a social project. We do not make profit. That has to do with global economy. Through the crisis the price of solar panels have dropped the past 12 months with 40%.

There is a shake-out in the market of solar manufacturers and we hope we are not one of them.

*What are your expectation for this?*
I do not think we will be part of the shake-out. The competition is all from China, so import is the competition. We have to make sure that we stay competitive with imports.

*How about corruption with import?*
We are very transparent in everything that we do. If you give a very clear message that you do not want to be involved with anything
that takes place under the table. As a result we pay all the high taxes and everything. You make mistakes indeed in the beginning with initial documentation of imports, especially import is a tricky business. Then you have a choice between two things, you pay the penalty, or you bribe. We have always paid the penalty and as a result you learn very quickly to not make those mistakes again, because the penalties are very heavy. The moment you have the documentation nice in place things are in order.

Does it play a role in competition?
I cannot tell, and do not know whether my competition is involved in these practises. It could play a role, but I am not aware.

Do you notice influence of the tribes? And are there regulations for it?
Yes very much. We do not have public regulations, but that has to do with that you cannot promote or put people at disadvantage from a tribal perspective. We have a programme policy. You often see that companies choose to go for only one tribe, or are very much mixed. We are very much a mix. It has two reasons; one to show to Kenyans that they have to work together. We have experienced people that had difficulties with stepping over the past and the past is actually very recent. Also Naivasha was one of the places where violence was the heaviest. So we really want to set an example and stimulate people to mix. To stimulate only English and Kiswahili is spoken on the work floor, no other (tribal) languages.
The other thing is that it is not allowed to make political statements. You cannot do this on the work floor. There are no penalties, because they are not written policies, but the employees know it, understand it and just do not do it.
The second reason why I mix is because mix brings ideas. I look at mix in multiple perspectives; mix of tribes, gender, age, child-no child, married – not married, education. Some levels ask for a certain type, for example management asks for a certain education. It is hard to find sufficient women in a more technical environment. So these are less mixed things, but I really try to make a tribal mix in the different management levels and on the production floor. But then again because we are close to Nairobi one tribe is just more present within this neighbourhood (Kikuyu). Then you just have a higher physical presence. When interviewing I ask what tribe they are from - or check after recognizing from the names – but it is not a selection criterion. It is only one of the parameters.

How do you get new employees?
For the operational level we recruit in Naivasha town. People start on a 3 month try out basis. If they deliver quality and output they get a contract. For the more middle management we get them from the database of Chloro Exide, because they get a lot of open job applications. Now we are more established we also get hundreds of job applications. For managements we stepped to recruitment agencies. Because we do not involve the production personnel themselves when we need more people, it is not so that everybody comes with a relative. They do not know officially that new people are necessary. We look at the mix, especially male/female is important. More men are technical, but this job requires a lot of precision and concentration, something women are much better at. Women are also more expensive, because they get pregnant and can leave for three months.

There are a lot of young people, while I try to mix. Older people have advantages and disadvantages. Advantage is that they are stable. Young people struggle more; they have to get used to working days, instead of the school days, and we have a number of relationships on the work floor. Which is normal, in Holland most people find their partner at work. We have some rules, do not take quarrels to work,
leave them at home. We do not allow relations that are hierarchical. Manager cannot date his secretary. Furthermore it is allowed. More mature people bring consciousness, more stability, they have family were they take care of, they are just more responsible in their behaviour. Disadvantage; they are more expensive and less flexible. As a starting company there is a lot of culture and interaction of building together which is easier with young people and as a starting company you have to be competitive so cannot overpay.

Do you have supervisors for different departments?
Yes they are what we call the middle management. So they go on the floor and check everything.

How is their interaction with the employee teams?
We have different mechanisms. We have a weekly Production and Quality meeting. So everybody involved comes together at Friday afternoon. Every start of every shift we address every issue that needs to have some attention. We have certain quality measurements so when something is wrong we know who made a mistake. That can be solved by team members amongst each other. We provide bonuses for the quality of production. That is a motivation. So there are different means. Discussion is possible in these meetings. And teams get together naturally when something needs to be discussed.

How do you meet EU standards of product quality?
We are in general a very tight cooperation, it is clean, everything is bright, it is healthy work environment, we get people a healthy lunch every day. All these things together make this company a not standard Kenyan cooperation. It is a showcase with European values.

Do you have strict regulations for employees being on time?
Very strict, you have to be here 10 minutes before your shift. You can be late 1 time, second time you are out. People are not late. This is how we try to explain, it is not my responsibility for people to be on time. It is his or her own responsibility.

Do you pay monthly?
Yes monthly, normal for EU but here people asked: “Do you pay in time?” These small things are more EU standards, it is not in regulations. Our local partner is also very accurate, that is not what we alone brought from EU. It is good to stick with rules. Employees are almost never satisfied although these things are all clear now, they always want more salary or anything, but I think they are pretty happy. We have a really good employee turnover. Only two left, one was unhappy here. The other left for a good jobs with high salary. In order to get that job, you must already work at a highly valued company, which indicates Ubbink has established a good name already.

How do you do your marketing?
We do not have the funds to do active marketing yet because we are still focusing on our quality. We do have dealer trainings. So every month we have 20 of the container shop dealers come over here to be taught how solar panels work and are manufactured. This way they see the standards of our production facilities, because a there is a lot of doubt that there can be good manufacturing of electronic appliances since not a lot of electronics are made in Kenya or East Africa (more Asia, China, little Europe). That is what we show them on these days that Kenyan production can meet these high standards.
Do you offer service or maintenance contracts?
We guarantee 25 years of warranty. Maintenance comes more with the batteries.
Solar panels is a fairly established industry. The set-up is the dealers or installers responsibility. When this is not done right and the system does not work it is not my responsibility, but it has an effect on my business yes. That is why we are trying for the future how we can perfectionalize the downstream trades. For example train the dealers/installers.

Do you do investments for growth now?
We are planning to put in a second manufacturing line. The act has been agreed on, but the right moment must be found.

You have the goal to grow twice as big every four years. Are you on schedule?
Yes, we are far ahead of that. This year we have tripled already. We might be the market leader already. I am not sure, but I think we are.

Do you notice the short term planning of the employees?
There is strict regulation for it, so we do not notice it much. I think you see this more with people working on a daily basis. And we do not have that.

How is the balance between all these regulations and people’s own initiatives?
Think of it as a soccer team. You identify the striker and tell him that it is his role make a goal or assist somebody to make a goal. Within that framework he or she can use his own creativity. When you do not have this creativity you get everybody standing in front of the goal and you get a hundred goals against you because nobody was defending. So make the rules and regulations to provide a framework. Without rules all the creativity is spilled in all directions. You want to have creativity funnelled into the direction where you want it. So do not make the regulations to strict, but find the right framework to still maintain peoples creativity.

Kaizen is a very much in a bottom up methodology. So Kaizen groups are groups where for example I work on a certain process, and that process is producing too much waist. We take a person of the process that supplies to me, we take a person out of the process that I deliver to, we take somebody that is not involved at all. So you have 4 persons together that can think of a solution with different techniques to solve the problem. They think within a framework that you give them to be able to find solutions. These teams get the investment they ask for and they see their solutions work, which is again motivational. We have to explain this to the people and also that these are the reasons why they get a bonus, they do not see this relationship themselves.

So rules and regulations are there so people know where to go and where not to go. Within where to go they are free. People are responsible for the job that they do, so also for the rates that they generate, and as a result the company will be profitable, and as a result people can get their salary. That creates a willingness to do things. Also from a cultural perspective, it is not Kenyan to take initiative. It is because it is very hierarchical. You listen to the elder without questioning. When you dare to take initiative you are penalized. So the culture that we have here is that you are penalized the second time you do something wrong.

The issue of initiative is not rules or regulations hindering employees. It is more through culture.
Do you have connections with importers of solar panels?
Yes, since they are potential customers.

Are there governmental regulations for the business?
Yes, the KEBS standards need to be applied.
Furthermore there a hundreds of regulations; environmental regulations, legal regulations, OSH (operation safety & health) act (safety, noise, fire exits, safety equipment), etc.
And they check us far more often than the smaller enterprises, our adherence is easier to check.

Legally when you have the national regulations and the contract, the best for the employee is the one that counts.

The size of your company determines how much you have to state in rules and regulations. The culture of the people working at a place determines as well how much rules you need. I had a request from my team whether we could have certain policies. They wanted certain clarity for example code of conduct, what rules & regulations are there for training, etc. They liked this better than just see things as they come. This is something in Kenyan culture.

We started with me as number one two years ago, then 3 others came from the Netherlands, than a few months later we started production and we were with a group of 10. The policy grew over time. You have to look what fits your personal management style, where you want to be free and where do you like to set policies. What is the culture of the company or what do you like yourself to be the culture of the company. With a manufacturing company you need more rules than in a creative agency. You have to deal with safety and shifts, who does what. It has also to do with educational level.

Did you thought of these things in advance, before you came here to manage this company?
Yes I think so. I am a believer of Covey and Kaizen, and I am a believer of excel to plan things. With these three things I believe you get a very nice company!

What do you see as a main barrier for growth?
Purchasing power of the rural customer. The system is too expensive to purchase for the small farmers. We are now trying to get our quality right and then we will focus on the customer profiles. We first want to get ourselves to the standard we want to be. For example we are not ISO certified yet. (global international standards , about running of company via certain prescriptions)
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Interview 9 – Charles woodworker

Interviewee: Charles
Business: Woodworker
Function: Managing Director
Date: May 8, 2012
Location: Ngong Road, first woodworker next to Santack estate, Nairobi
Contacts: -

Background
Charles is one of the woodworker along Ngong road. His neighbour is also a woodworker. With my first visit I thought it was one company instead of two separate ones.

Transcript

How long are you in business?
For 5 years, it is my own company. I started it slowly by slowly. I put some money in the bank and then I organize everything.

Did you start here where you are located now?
No, I first was somewhere along here (point in other direction). When I could pay for this place I moved here.

Did you have employees?
I started on my own, now I have two people working for me.

So the others are your neighbours? Do you cooperate?
Yes, we are together. They have their customers. We are also competition when we make the same products. Then we go to the catalogue and pick something else. This way we change our product again and sell something different.

So you do not have a price war?
No, because if I lower the price my profit margin will become too low. My solution is to differentiate the products I make.

Sometimes we just get orders from customers, then they tell us which product they want. They can show us a picture of how they want it.

How do you determine your prices?
I just do some quotations. How much wood I have used and then I add a percentage for profit. That is not a fixed percentage. Sometimes you can get more for a product than for another one. For example, beds give a high profit.
How do you pay your employees?
I am paying them per piece they make. They are paid the same amount. This goes with time. The value of the money is important in this. They come daily, it depends how many customers I have. Now I am always in business and when I do not have an order I make ready-mades. I have some money so I can do that. When we do have an order we work on that.

Sometimes an ordered product takes a long time then we discuss and they get paid that amount when they are finished. Around 500 KSh a day.

Did you have to take a loan to start your company?
No, I saved some money which I could use so I did not have to take a loan.

Is your capital growing?
Yes it is not going quick, but it is growing slowly and steady.

How did you find your employees?
I asked a friend of mine if he could help me finding people to work for me. My employees are not my relatives. When I need more people I can ask him and he knows which people are good, I also worked for him so I know that he is good.

How did you learn your profession?
I used to work for a Jua Kali in a workshop just like this one. I learnt it from somebody and worked for some people when I got the idea to start for myself. I was looking how they did their business. It is just like a school when you are working for somebody. You see how he does thing so you get experience in practice.

Were they irritated that you started your own business, because you became competition?
Yes I became competition, but they don’t mind. Because even here people can also go and start their own business. I would not be angry when my employee starts his own enterprise. He can even be my neighbour.

Do you cooperate with other woodworkers?
Yes we come together sometimes. We discuss how we can get loans. And the way we can make or business. We cannot make agreements about prices because when you are selling the others do not know how much you ask. This means that you can sell it for less then you discussed. Everybody makes their own estimations. Even the customers know, the Muzungu’s also do some window shopping so they also know the prices.

With the neighbours we want to get a watchmen. We have been sitting together to discuss it, but it did not work out yet. We are in the process. We want a watchmen, because things have been stolen in the past.
Is there somebody that takes the lead in the cooperation?
We just do it sometimes when it is necessary. Now everybody is just doing their business. We all have different landlords so when they come to us we are also together. (???? Nobody coordinates) We don’t organize it at once.

How do you get your supplies?
We buy the wood from a seller that comes here. All the woodworkers go there. When they don’t have good wood we get a car with the neighbours and we go together to another place to buy it.

What is the success of your company?
That is not easy to tell. I treat my clients well. I do not want to mistreat them. I try my best to treat them well and deliver quality work.

How do you find your customers? Or they you?
They just see my displayed things on the side of the road. If they see it and like it they can come to me. I do not steal the people that are going to the neighbours. I do not like to do that. I want to be a friend with my neighbour. The people can come and when they like it they often do more orders. The customer tends to come back.

Transport?
This is the only place I sell my goods, I do not distribute to other places.
I use handcarts to bring the wood here.
When we buy the wood from far we get a car together with the neighbours.

Model of earnings?
Savings account. Make profit on the sold products.

Do you have plans for investments?
Yes, I want to get a loan to grow my business. I could get a pick up. Than I can deliver to the houses, people can pay for this service.

Machinery?
I am the only one that is allowed to use the machines. I also take care of them.

Governmental Regulations?
I only pay city council.

Do you train your employees in any way?
Yes I learn them new things. It is good for my company when my employees can make good things.
What do you see as a main barrier for growth?
I am looking for how I can get my customers. I try to maintain my customers, Bind them. That is why I grow steady but slowly. The prices of the materials is rising and the customers bargain too much. So profit goes down. The business is the profit, so this is small.

We cannot make price agreements with other woodworkers, because we cannot trust each other to keep the agreement, since nobody will know what you sell for. Sometimes it also depends on the quality. If the quality is low you can sell for less. So customers will just buy that quality.

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Caxton Munyoki is the chairman of Sunrays Solar and also a lecturer at Nairobi University. He has many years of experience in business. So next to a director providing information about his company, he is also an expert in the field of business.

Transcript

All of the large international companies have replica’s now in the form of micro- and small enterprises. Like Sunrays Solar, we are an MSE. You also have the big ones like Chloro Exide, who have been here for longer. We are small and try to do exactly what they do.

I identified a market niche in renewable energy, because of the high pricing and high expenses of the existing sources of power. It is all hydroelectricity and DCO and generated power, which makes the prices of the power quite expensive (Kenyan Power). The income of a Kenyan is quite low, because the demands are quite high. The percentage of that small income that goes to power must be controlled to be at least affordable. I realised there was demand and I did my research. I started this company when I was doing my MBA. The topic of my MBA was ‘The demand for renewable energy in Kenya’, and I was doing it intentionally as I could learn more for my business.

I went to the field, collected the data and the data showed me clearly that there was need for an alternative energy. So solar, because of the longevity of time of the solar panels, that is stretched for 25 years, and the high expenses of the existing source. I realised that people did not know the advantage of solar. In Europe, where there is not as much solar as here, is done more research. Here we have the sun, but we did not know much.

The vision for my company is to become one of the leading SMEs by year 2015. It is interesting that none of these solar panels were actually made here in Kenya. It was just the other day that Chloro Exide and Ubbink started their manufacturing company in Naivasha. I am meeting their CEO here, because I want to be one of their distributors as well.

I get my products from Australia, Germany and China. When you mention China here people say ‘O that is bad quality!’ I contradict that. When I go to China I go to the source of the production and I give them my specifications. In China you get highly professional companies. They even produce for the US! They deliver good quality products that live up to quality to get KEBS certification. I tested one
product and it was the right voltage. Then I told them to produce with my company brand on it. S-Solar, all products are branded with Sunrays Solar’s logo.

*How do you control quality of all the products that come in now?*

I have signed an agreement with the manufacturers and they have to give me a guarantee. When the customer gets a product that is not working I can compensate this with the manufacturers.

I am located in Adams Arcade, which is not a cheap place. I am here because the top notch customers stay in Kilimani, Karen, Westlands and other places that are all near here. This should even be city centre because it is older than Nairobi town. All the big farmers in Nanyuki and other rural places, decentred to the settlers, but they come here because they can identify with this place.

And we have been given certification for the quality.

That is how we started the company. The business is managed by the board of directors, which are also the shareholders. There are 6 of them. I am a non-executive chairman, so I am not in the management, but I am here to help them. I do not sit throughout the day. There is a general manager who runs this place. And we’ve got like four management departments. Technical department, people appointed by ERC (Electricity Regulatory Commission) they give out a certificate. This means we are highly standard, because my technicians are interviewed and trained by ERC. You cannot trust a person who is educated by a Jua Kali. When I get a tender you know the work will be done properly by good technicians. That is crucial.

We have people coming from Polytechnic University Nairobi and of the ministry of water. Here I get the people that install the hot water system for us. So we have qualified personnel.

We specialize in the following products: PV (photo voltaic) lighting is 40% of our business, solar hot water system — next year every house that consumes more than 100L water must install this system by regulation, so big business there, back-up systems for when the lights go, also small wind turbines (not very much), and hybrid energy it is a combination of solar and wind.

*Are the products not still too expensive to purchase, because the initial costs are so high?*

Yes, solar business is an expensive investment. The initial investment for us was big and also for the final consumer. You have to spread it over a long time and benefit in the long run.

It is expensive because the products are not produced local and have to come from far. The solar panels itself are duty free, so they do not require maintenance for 25 year. Only battery and inverters require maintenance. We deal in the whole system so we also sell those and install it for the customer. We are a one-stop shop.

*How many employees do you have?*

We have 7 teams that are now out for installation all over the country. Currently, there are 48 people working for us. This is excluding
the dealers that are also working for us throughout the country. We do not want to employ too many people because it will become out of control. The dealers do their own business, but we give them special terms.

**How do you find these dealers and how do you control their quality?**

We are in the market for 4 years as Sunray Solars, but I am in the business for 8 years since I have worked for another solar panel company. I have recruited the dealers. Recruited and selected. My people go around with a checklist. If you want to become a dealer they visit you. Selection criteria are; certain amount of capital, certain amount of stock, you must have a business in electronic related goods, and you must be at a good location.

**And how do you select the employees that work here?**

We advertise in the newspaper and visit interviewing agencies. Then we do interviewing with the whole board. This way multiple people decide who is selected. We also have an HR department that deals with sickness etc.

The different departments are: HR, Finance, Technical, and Research department. This research department makes sure that we offer the best products of all existing products. And prices and how we get them here.

**How do you decide on the price?**

We get quotations from manufacturers, we market conversion with the other competitors in the market. It is a very competitive market. You have to stay alert. We do not want to be high priced, but also not low priced, because of our quality. There is a price for quality. People will think it is fake when the price of a battery is too low.

**How do you distribute the products?**

We have got 68 dealers. We have signed an agreement with G4S the security company. I used to be the national chairman of the Kenyan security industry. I own a security farm and a gun shop. This way I know G4S very well. The customers do not have to transport their purchase themselves but it will be delivered to them safely and secured. That is a service.

**Do you also offer other service and maintenance contracts?**

Sometimes we do that. Now we are doing a very big project in the southern of Sudan for KCB (Kenyan Commercial Bank). We signed a maintenance contract with them with a certain fee. We do the same for other local customers, especially the banks.

**How did the company begin and evolve?**

This company began as other companies, with a serious period of struggling. Customers do not know it, they do not trust it and they have got alternatives. Evolution carriers; 1. Brand (emphasizing the name - crucial) 2. Introduction (emphasize on service) 3. Consistency (references)
How did you come up with the name?
Sunrays Solar. The future is the sun. The sun is a source of life. Solar originates from rays. The rays of the sun that have given us this slogan. The name is very important for a company. Ours is associated with the sun.

Is this something you researched?
Yes of course. We thought about it for a while. Quality name stands for quality service and quality products.

How do you find and bind your customers?
We advertise in the newspapers. We also go through organizations as insurance companies, banks, and associations for companies that do the same thing, that way we move to them and advertise through them. But, most effective advertising is good quality service. This way people give free advertising. Here you have to be careful. It can also become free negative advertising.

Did you have to take a loan to begin the business?
Yes you have to take a loan to start a serious business like this. I had my savings, having worked for the government and in the private sector. My wife also had some savings. And then we cooperated with the other directors and shareholders because we did not want to take the risk ourselves. Then we jointly went to look for a loan. We then carried heavy stocks because these guys were big so we had to be taken serious. Now we are independent.

The risk with loans is that the costs of money is quite high. The rate is 39%. We made it, we have repaid our loans without difficulties.

Did you have a collateral for your loan?
Personal property of the me, the chairman.
The stocks are higher now than the loan, so we are there.

On the way did you cooperate with other solar dealers?
No, I had done my research so I did not want to share this with others.

I do not mind my employee to start the same company as I did. But I tell them, don’t do it until you are sure. Some have tried but are back now because they did not succeed.
They do not have enough money to invest properly in the beginning. This is an industry that is expensive and you have to do everything right in the beginning. All the different aspects of the product you make one, so you cannot have one.

Do you provide training for your employees?
Yes, I train them. I get my people from the politecnic and then train them for the work and have them walking along with my other employees so they can learn from them. So they can see before they start.

How is your employee turnover?
I cannot complain. We take good care for them and pay them well. We also offer training, technical trainings we pay for them. So our employees are very happy, especially because we have assignments abroad and people really like that. They all want to go abroad. We are active in South Sudan, Rwanda, Uganda & Tanzania and Somalia is coming. But for now I do not want to send my people there.

*How do you pay your employees?*
I pay them at the end of the month, by law. The sales team is on commission. A motivation to sell more. The installation team is also on commission. Extra commission on top of their fixed salary.

*How strict are rules on punctuality?*
That is work of the general manager, not me. She is very strict, it is a lady, and it is crucial. There are penalties for that, suspensions etc when you do it more often you get dismissed. When you do it more often it will become a habit and then it can affect other people.

*Is there a planning? Who makes it?*
At the start of every year we give ourselves an annual target. We break this in quarters. Then it can also be subdivided in monthly, weekly and daily. This is for sales. And sales has its effect on installation. There is also a target for supply to the dealers. This way every department has its target. Everything is planned and then we check the variances and can see who has not reached its target or where things were not normal. The managers of the departments make the planning. This is discussed with the board and the board gives direction.

*Do you also use bonuses?*
Yes at the end of the year.

What kind of investments have you planned for the next years?
We are planning to team up with the local mobile companies. 70% of the population is in the rural areas and they all have a mobile phone. But they have to get the bora bora (loopjongen) to charge their telephones because they have no electricity. We want to go to the local shops, install a solar panel with different charging plugs so they can provide power to 50 mobile phones.

We also want to move out the region again. Establish more in Rwanda and Burundi. There is a lot of fighting between culture and stereotypes between Tanzanian and Kenyans so we are not operating there. Tanzanian look at Kenyans as far too fast and are afraid that the Kenyans take over their country. It is because Tanzania was socialist and Kenya capitalist. Now the Tanzanians are becoming more socio-capitalistic.

*You do not see this as an opportunity?*
We are waiting for the East African Federation. They are establishing an easier policy to trade and make it the same for the countries. Tanzania is afraid that Kenya will surpass them, and I think they might be right. Kenyans take risks. I think that this is a result of the government of this country. The provided Kenya with a very nice education system. Which the other countries do not have.
What do you see as the main barrier for growth for your company?
Competition, competition, competition. And importation. It takes time to bring things from outside the country. So one, it takes time to import things into the country. Two, competition from scoopers. Who do not have an office. They buy from Korea and all this other places where they make counterpaces, look a likes. This has less quality, but they can sell it for a lower price. The third reason is the cost of money. Money is very expensive.

Do you have employees growing in your company?
We take trainees now. And there are other growth paths.

And is initiative a good thing for an employee?
I am a trainer. I encourage innovation. I encourage my employees when they see how things can be done better to speak up. The managers will of course look at it and judge whether they are right. But we like initiative. The future of this company lies in innovation. It is not rules, you have to keep on adjusting the rules with changes of times. We pay a lot of tribute to innovation. When an employee has a good idea he will be paid an amount to motivate this kind of behaviour.

Are there special governmental regulations that count for your company?
There are some. Every industry has their own rules. The installers must be licenced by the ERSV, that’s one. You must have a city council licence, you must pay taxes, the normal rules.

Do you have any influence of the tribes in your company?
I am surprised to hear thing like this. With the current constitution and the current situation in the country where we try to fight tribalism I will not allow that in my company. My company has everything. I do not look at tribe, I look at expertise, I look at innovation, I look at enthusiasm, I even look at what I can get from you. It is about the contribution that you can make. These small enterprises that are started by individuals have to bring people in they know because you have to trust them and built your whole company. There is a danger when you do this with people from your tribe, because then you cannot appeal to the customers, who are not your tribe. My company is international now. We have all kinds of people, even one from Somalia. The main language is English and Kiswahili. It is not gender biased. The general manager is a lady, the technical manager of course a man, because it is technical.

Tribal and all racial segregation and genders that is very negative. This is a factor that can influence growth. So these are things that you should address in your research as factors that matter:

First gender issues, than tribal connotation, but also region, and the last one is age. You cannot have a company successfully led by all older people. Mixing is key.
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Interview 11 – Roberto - Sominerec

Background

Roberto is an Italian man that lived in Africa for over 40 years. He is an expert in bringing groups of people together as he was involved in many peace-making projects all over Africa. He lived with the Touaregs when he was only 18 years old. With his experience in many different African cultures I am sure he can provide me some interesting background information.

Somirenec stands for Social Ministry Research Network Centre. The centre was opened on the 20th of February in 1999 with the goal to enhance the efforts of the institute of Social Ministry (ISM) of Tangaza College, a part of the Catholic University of Eastern Africa (CUEA).

Transcript

Somirenec is becoming an implemented NGO instead of a large project following alumni. They are building a centre now for entrepreneurial projects were Somirenec will try to help the projects with microcredit, finances and training.

It will be a networking centre for social entrepreneurship where people can share their activities and learn from each other. Roberto does not want to produce entrepreneurs, but to produce managerial people. These will bring you further since they can sell any idea. A good manager can embrace thousands of ideas and make a success out of it. An entrepreneur is the one with an innovative idea that can work for a particular market. These idea must already be established when somebody enters the Somirenec project. It will function as an accelerator, not as an incubator. It needs ideas that are ready to accelerate. The question is, according to Roberto, whether the Kenyan people are able to understand this.

The idea evolved from the Indian business model of Indians that come to Kenya for business. The Indian business community adopts the new comer and all pay him an amount of money. Then they provide him with their help and knowledge to start up his business. When the new comer starts to earn money he can repay his helpers from the community and after a year or so he is able to function on his own, has a good rolling company, and paid back his depts. The next guy from India can come and will be treated the same way, only this time with an extra participant that can make the new business an even bigger one.

Somirenec will not employ any of them, but become a cooperative and takes the people involved up as members. Roberto expects that being a member will motivate more than when somebody is employed. A person becomes part of the business instead of The
entrepreneurs have to buy themselves in, the money is put in the project’s “privat bank”. Roberto’s vision is to use the bank, not be used by the bank. He want to start their own financial department. With the starting money land will be bought. After a year the land is sold and will raise some money. This money will be the profit, the profit out of the businesses can be reinvested in buying new land to continue this process. The bank is only usable for their services, like making payments and deposits, not for investing or a loan, because then you are already a loser.

An idea he has created is to have greenhouses and a wheat plantage on a piece of land close by the university where wheat, tomatoes, and other vegetables can be produced. He will employ students who are not able to pay the university fees. These can work during day time and then go to school in the evenings. They can live on the factory grounds. There will also be a shop were the vegetables are sold and a bakery where the wheat can be used to bake good bread and Italian pizza’s with the vegetables on it. This is a good business with a clear social aspect.

What is social? There is a problem with the definition, nobody really knows what it is. Even the social ministry do not know what it means. They have a problem with their own definition.

Oke, it must be a cluster of social projects. With these we can start the club. The point is to come up with an image of professionality. As for example ‘Umoja’ did. This means togetherness and everybody knows it. This is the level that Somirenec wants to establish, then even the government of Kenya will know it and fundraising will be very easy or not even necessary.

The projects that will probably start are assisting old people, peace building, micro credit, and agriculture projects. Piece building works in the way of bringing people together. For example the fighting in Marsabit, we collect these warriors and bring them to Nairobi. They are put together in an evening class. Also the woman are educated here. The woman are actually the basis of the fights. They do not want the man that is not willing to fight. When a man does not find a lady he is excluded from the community. This means that the woman can take the pressure off the fighting. The woman are educated in reading & writing and life skills. The very first basics that are essential to make people develop.

When these tribes have been in Nairobi they have seen more of the world. When they go back they see what they were actually fighting for and know that there is much more to think about then grass and water.

Roberto tells me he toughts about what is in the MBA on entrepreneurship of Tangaza college and what should be in there, which is basically the same as what he told in the beginning. Managerial skills are important, you cannot make a business idea work that is not a good one. People are trying to improve their business idea in this MBA, while they should focus on their managerial skills.

People are talking about this cultural revolution, but Roberto does not see a change in the African culture. He thinks development is bullshit. It should be done by the people themselves and not by people from another culture. One can never become an African, you can learn all the languages and live your whole life in Africa, you can never become African. This is because you can never learn what it is to live in a hostile environment. The Africans are therefore the best to help themselves when it comes to development.
Roberto thinks the government cannot do anything about the tribal issues. Also because the capacity of the fertile ground cannot contain the people. This means poverty will stay, and people are holding on to their God. It will be the most important thing to hold on to when they do not have anything.

Roberto is here to help Somirenc with his own insights of life and experience with the African culture. He is educated by life he says and it took him a lot of suffering to gain this knowledge of life. He is working here for two years after he received a call from the head of the social ministry, because the project was as good as abandoned by all the people. He blew a new life into it and in two months the NGO will be a fact.

A last lesson about Africans is that they have an attitude to learn what they need, and an attitude to not learn what they do not need.

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Interview 12 – Maureen

Interviewee Maureen
Business Jewelry
Function Owner
Date May 16, 2012
Location Langata, her house
Contacts via Mercy

Background

Maureen is a young mother, 27 years, of a child of 6 years. She runs a business in making jewellery and selling them. She runs the business from her house, which is actually a container of 3x4 meters and welcomes me there.

Transcript

The idea for the business came in 2009 when Maureen was in a drummers club where they made their own outfits for performances. She started making jewellery to match her own outfits. Then she got requests from the others to make her things like she had made herself. She enjoyed doing it very much and she wanted to continue. Then she started making more, taking a picture of the product and putting it on Facebook. This went well. Another way of marketing her product was by dressing herself up and attend weddings to show around her jewellery so others would see it and buy them from her. From this she got to do the design for jewellery for brides and bridesmaids. She also gave away some pieces to friends that would promote them for her. Next to that she started selling at private universities. This seemed to be a good place to sell her products because the students there have some spare money, on the contrary of the students of the public universities, so the products are affordable for them and Maureen can still make a profit.

She trying to find new clientele in the performing artist scene. (Maureen is a gospel singer herself and is now trying to make an album together with a producer.) She thinks that her jewellery will be seen by many people when they are worn by famous people.

The material she uses all come from River road where there are a lot of shops selling beads, stones, and the other materials that she needs. To buy them she just goes there and picks what she likes.

Maureen started using people as salespersons, since she makes the most jewellery during the night it is hard when she has to sell the products as well during daytime. At first a cousin helped her, then also another woman. This worked all right, except that the woman that was no relative told Maureen she could not get the high prices that Maureen wanted for the products. This turned out to be a lie and the woman had stolen the difference of the prices people paid and the price that she told Maureen she got. When Maureen found out she quitted working with salespeople for a while.
Then a friend’s friend told her she wanted to sell the jewellery for her. They made plans together to do it big this time. Maureen took a big loan at a friend, this was a real friends deal without any interest, she only gave her laptop and camera as collateral, and they set dates when she would pay back the money. With the money she made a lot of pieces of jewellery, the lady took off and never came back. This has been very hard on Maureen, since she still had the loan and a small child to take care of. In order to pay back her debts and still be able to pay her child’s school fees, she moved to the container-house and had to sell her laptop and camera. The loan is paid off now and she is trying to build her business up again. She has just finished her new plans for the nearby future and tells how she really wants to put her own need aside to collect the money that she needs to start a shop. She has a seen a shop next to where she is living now and wants to teach the ladies, that you can hire to wash clothes for you, how they could help her. When she has her own shop she will have to produce more, so she needs more hands.

It is hard for Maureen to find a way to work with people again. She tells she will not use any lady for sales ever again. She employs two boys now. One saw her working while she was selling at the university and asked whether he could do her marketing. She checked him a little and thought it was okay. So he and a friend of him, who was interested as well, are doing the job now. She is very satisfied up till now. They get 20% of what they sell right away and it seems nothing gets lost and they get the price she wants for the products. I ask about the backgrounds of the guys. She says she knows them and their families better now. One of the guys is a Luhya and the other a Kamba, but she is not tribal at all. She is a protestant and a Kenyan. It does not matter for her where people come from as long as they are honest and reliable. She really likes the men, since they are interested and they learn quick.

When I ask her why she does want the ‘wash ladies’ to work for her, if she does not trust woman anymore, she answers that these are already old and have found a direction in life. She assumes they will see the opportunity she gives them and not misuse it.

The shop she wants to establish must be a one-stop-shop for jewellery, clothes, and shoes. She wants to design with nice fabrics and even customize these with beads and stones. When I ask her how she will employ the women she says she will do one piece, and they can make ten pieces like hers with different colours.

Maureen is really convinced of this new plan and she has put the goal of opening the shop for December this year.

A first new investment would be a camera in order to put products on Facebook again. This medium has proofed to work and it works without a selling person.

Maureen also had a lot of customers that did not pay. When they come to pick something from her products they get greedy, but in the end are sometimes not able to pay. She has several examples of people from the neighbourhood with small orders, friends that do not want to pay because they are friends, but also large orders for weddings where people trick her and never pay her the money. I ask her what she will do next time when she feels this will go wrong. She answers that she will try to hold on better to the 75% down payment that she actually wants. But she finds it hard to resist when people are pushing her to continue the work without the money in advance. Still she is learning hard lessons nowadays with the woman that robbed her and all the people that are not paying her.
The friend who connected her to the woman that went away with all the stuff is not willing to assist to trace her friend down. Maureen has stopped contact with her as well as she cannot really call this person a friend.

Next to the salesperson & customer payment issues the competition is also stiff. There are more people selling at the universities and they tend to copy her designs. She is also asked a lot to come with her stuff to Masai Market. But she is too afraid the woman there will all try to copy what she is making and she has no special product any longer. This is also why she wants to register and have a shop so she will be taken more serious, because the people will respect the shop. The pricing of the products is done by estimation, with this the time of making the design, the materials, and the creativity are taken into account.

Government stimulates groups of artists in paying to go to exhibitions for them. Maureen would want this, but has to find a good group that fits her first. This is important for her because the designs you make must fit the group and also belong to the group once you have made them. There must be mutual understanding on creativity level to let this work. There are some groups that want her, but she does not seem very keen on joining them, because she is afraid to lose her identity in them.

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A first new investment would be a camera in order to put products on Facebook again. She has just finished her new plans for the nearby future.

There are some groups that want her, but she does not seem very keen on joining them, because she is afraid to lose her identity in them.
Interview 13 – Mercy Aruwa

Interviewee: Mercy
Business: Taxi company
Function: Owner
Date: May 16, 2012
Location: Langata, Park Estate
Contacts: maruwa86@yahoo.com / 0724903888

Background

Mercy just started a company for a few months. She employs one driver together with her boyfriend with whom she has bought the car to run their taxi business with.

Transcript

Mercy tells me about her taxi business. The driver is from the Kamba tribe, a reliable tribe according to her. You can trust them to do what you agree on. They have made an agreement on the price the driver can ask. This is 100 KSh per kilometre, when the driver earns more he can keep this. From the 100 KSh the division is 30% for the driver and the rest for Mercy and her partner Jarred. So they earn the fixed amount of 70 KSh the car has moved and the driver is dependent on his own negotiation skills for the salary he earns.

The three of them try to establish some intimate customer relations to have customers that are transported daily. They are given a discount on their rides. Jarred’s work is one of their fixed customers. They often have clients or guests that need transportation which is where they use the car of the couple for.

The idea for this business came from Jarred. Jarred is an accountant for an architecture company and he saw the bills they sometimes had to pay to the transportation companies. He thought these prices were quite high and he could start something which is profitable and asking lower prices than the competition. He made this business plan and in the meanwhile he made friends with other local taxi drivers to learn about the local business. That is the way how he learnt how things in this business work.

They bought the car together of their savings so they did not have to take a loan. They deliberately did not want this because it costs too much money. Jarred has savings in his company. They hold back 20% of his salary. They agreed on this with the establishment of his contract. The car they bought is a second hand and needed some fixing in the garage. Mercy had to stay with the car in the garage for 2 weeks every day. Car mechanics tend not to be trustworthy people. They will tell you that your car needs new parts and let you pay for them, then they put the old parts back and sell the new parts they have bought with your money again. They also take out good parts and replace them with bad parts they have left. This means that you really have to check on your car, and cannot leave it unattended with the garage people. Result is that it costs a lot of time for yourself as well to have your car fixed in the garage.
They chose to be in the taxi business rather than the matatu business (small busses 14 pers) because that is a very corrupt business. A few years ago the government introduced smart busses. It was a bus system for which you had to have a chipped card with credit to open the doors. The busses were very clean and easy because a ride came with a fixed price through the card system. People liked the busses for those reasons and they did not have to deal with the matatu guys any longer. The matatu drivers drive very unsafe, the prices are high and the safety of the vehicle itself is also very low. Next to that the driver and the conductor are always drunk or under influence of drugs. But the problem was that the owners of the matatu’s are not the ones driving them. They are business people with a lot of influence in the government. As soon as the new busses were on the road the matatu’s had less business and consequently made less money. The influential business people stopped the government plans and the busses were dismissed and demolished to use their parts. These business men can really control the country according to Mercy, they do not have regulations themselves. That is why it is easier to stay out of their way and get yourself in another business.

The driver Mercy and Jarred employ brings his money and the car every evening. They can check the mileage of the car and keep track of what he has to give them (100 KSh/km). What he earned more is his right away. He is paid his salary at the end of every month. This is by law the 24th of every month and that is the way they do it.

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Background

Samuel is a retired teacher, but he is still running his farm together with his wife Catherine. Next to the farm he is also doing counselling and providing life lessons from his position in church on a voluntary basis, but he is a very clever, active, and up to date men.

Transcript

When Catherine and Samuel were both employed as teachers and had two sons together, Catherine realised that she was paid little for hard work, while they also owned a piece of land where nothing was happening at that time. She resigned her job as a teacher and started a farm at the piece of land that they owned but did not used for anything. She took their two sons to the land they owned in the Cherangani Hills next to Kitale and started her farm here. She produced maize and bought a machine for the production of maize flour. She also had some vegetables that she could sell and the farm grew into a very productive farm with a few sheep, cows and chickens. They did not have to buy any food and the farm provided the family with money to pay the school fees for all 9 children! The maize that was left after mouths were fed and school fees were paid was for people that came begging at their door for food. This way they also served the community by giving away to the poor.

When Samuel retired his job as a teacher at the age of 50 he came to live with his family and helped Catherine with the farm. This was the moment they also employed a couple to help them with the farm work and Catherine started a little shop in the village to sell some vegetables and maize flour to make some more money. The family was in the meanwhile transformed into a larger community with grandchildren and one of the sons moved to the US.

The couple that helped the family with the larger farm was a good couple. They were offered a house on the land and a small salary for which they did their jobs very good. When the lady got sick they moved and Samuel had to employ somebody else. He has an old Turkana man now. The man drinks, does not feed himself and is therefore not able to perform his work very well. Samuel gave him food to feed himself, but the man sells this to buy more alcohol.

The government has stated a low price for the maize, according to Samuel. That is why he does not plant new for the next season at the moment. All the farmers have their products collected by one factory that makes the ugali flour. The factory and the government state
the price for the maize that is collected and the farmers have no room to negotiate about their products.
The seeds and fertilizers are expensive nowadays and because of the high prizes for resources and low prices for the product he cannot make profit. This is reason for him to leave some parts of the land without any plants on it. He also has more wheat now instead of maize. From this wheat the ‘grey’ ugali can be made. This is a much more healthy ugali than the normal one and the wheat prices are better at the moment.

He has also learnt to make organic fertilizer himself from some missionaries in the neighbourhood. This saves him much costs and he is thinking about making it in larger amounts and then sell this again to farmers in the neighbourhood.

In the house of Samuel and Catherine lives the first born of one of the elder sons. She came to live with her grandparents, because they were lonely in the house. Now she is helping them with the household, and although both must now the value of education, are not stimulating her to go to school.

The youngest son also came living back home after boarding school. He is wants to become a businessman and tries to sell things for his father. All family members tell me he is very successful and has the gift of making money out of little.

Catherine still sells their products at the market where she has her fixed spot. This allows her to give people supplies on credit, they know where to find her again. She has to go to the market every Saturday for the same reason, because most people want to pay on Saturdays. When a person does not pay her, she thinks he or she will do it whenever it is possible for the person.
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Interview 15 – Peter Mwaniki

Interviewee Peter Mwaniki
Business Bookshop
Function Operations Manager
Date May 20, 2012
Location Kitale, Moja line
Contacts 0712146303

Background

Peter started a bookshop and is more successful than you would expect with the bookshops we have in the Netherlands. He is making big money of the business he does with schools to which he provides the schoolbooks.

Transcript

The company goal is to run the bookshop which deals with school textbooks and general office stationery. We started in 2002, so it runs for 10 years this year. First I had a basic training on sales and Marketing at Bata Shoe company. Later I was recruited to run for a new company starting to sell stationery and textbooks. There we started from the scratches and successful run it from 1989 upto 2002. This time I resigned to go and do my own business. We have 3 employees now and business is going very well.

Our bookshop is service oriented, serving humanity with dignity and respect and working together with others to assist the less fortunate in the society by offering special discounts and free offers once on a while. We also assist the buyers to make the best choices for their level of education and needs. This distinguishes us from other bookshops.

When supplies is not in order we advise the recipients accordingly and they decide to alternate/cancel or keep the order pending until the supplies are available.

The customers are any individual, school, office or institution in need of our services and products. We have a shop located in one of the main streets in town. We advertise and market our goods and products through continuous marketing and advertising. Field work reaching the unreached areas are our priority. We market our products through schools and institutional visits. We take catalogues, brochures, calendars and sample items with us when we go there.

The customers come back to us because we give them the best possible and friendly service. We also maintain services after the purchase. The text books and stationery are very delicate especially when it comes into contact with dust and moisture. At times it becomes obsolete. The field personnel are able to know where we are strong and weak. Their feedback helps us to improve. Even some of our customers speak out to us giving us complements and corrections which we take positively.
We had to take a loan to start the business. It was hard to get, but it was orderly. I had a title deed for my residential plot which was used as a security.

The hierarchy in the company is as follows: Propietor/Director, Peter Mwaniki; Sales and Marketing, Gerald; Accounts, Zakayo; Support Services, Paul.

We have a credible communication network and all three of my employees listen to what I want for the company. All employees come from different tribes from different regions. In Trans Nzoia county, it is a cosmopolitan region. Our job is mainly manual and preference has been on men, men ratio who are able to work and work long and distant regions. Mainly my wife assists in the over the counter services. So there are different roles for men and women in the company yes. We have basic regulations which are unwritten, but religiously followed.

Our employees get paid on a monthly basis with a fixed salary plus incentives as and when situation demands. Next to that we have the NSSF (National Social Security Funds). We also have targets for selling. Monthly and yearly targets.

Employees are selected by recruitment on merit through customers and friends.

My next investment will be developing an urban Housing estate.

There has been no hustling to get the documents needed fort his company. We just apllied for them and we pay for them when due.

What comes to partners, trust comes through interactions and dishonest people will be noted within a very short spun of time. The world has become like a global village where you can hide but cannot keep on hiding for long.

We try to be a punctual business, which delivers on time. This makes the customer happy and it helps us to save costs as you can sort a number of assignments within a short period.

There are no special governmental regulations for this enterprise. I do think the market would benefit from certain regulations. Quality standards for schoolbooks are for example very important. There are no religious practices in the company, but all employees go to church and pray every day. This has a good influence on the company.

There is some cooperation between various actors in the sector, but this is mainly between the large companies to keep their market and protect each other. With even more cooperation between competitors unfair business practices will come down.

It is not yet so that all Kenyans have equal chances to do business everywhere in the country. Some animals are more equal than others. But I do think it is possible for a Kenyan to succeed outside the community he or she grew up in. Like I grew up near Nairobi and my business here is flourishing and I made many friends here.
Some communities work against their own members when they have successful business. Some people take advantage that you are their kin, take your goods or services on credit and fail to pay as earlier agreed.

The main barriers for growth of my company are:

- Changes in the syllabus- so many textbooks become obsolete.
- Capital- our procurement is small quantities and cost is high.
- Competition- supermarkets are selling at cut throat prices.
- Repairs-car maintenance, fuel costs, spare parts is very high.

We give basic training on the job to assist the employees to stand on their own even when they leave the company for greener pastures.

With time the employees can climb in the company, but because the company is small this does not occur as often as in a larger company.

The employees can all tell what they think is beneficial for the company. We make them all to belong as part of management. This way they become ambassadors of the establishment and feel part of the company itself. The most important thing a new employee has to learn is the service we offer to humanity with dignity and respect.

There is no special policy inside the company with regard to tribes and we also do not mind from which tribe a new employee comes. Quality and interest in the job is much more important.

Colonialism has left a big gap between what some people have and others have not. The British caused a widening of this gap and the effects are there todate. The way tendering processes go gives a lot to question. I think these are things that are caused by the occupation by the colonialists, since they forced things to go the way they went without a natural African process.
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<td>Internalism – Externalism</td>
<td>Internalism Peter shows a lot of initiative</td>
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Background

Julie is the owner of her own coffee shop. It is a rare phenomenon a coffee shop owned by a Kenyan (most of the owners are Western persons). Nyeri is not a place where many Western stop or reside.

Transcript

Julie started her coffee house in 2008. The idea came because it was going really bad with her gift shop. She was broke and did not want to lose the little place she had gotten to hire. With 10 shillings and her mum’s car which was fuelled she asked people in the village to help her with the materials she needed. Everybody helped her, even though she did not knew all the people she asked help from, she did not receive a single no she says. She had to be very creative and make use of everything she got in the best way. A result of this beginning is still visible on the floor which is made as a mosaic of all kinds of different broken tiles. The walls of the small shop are visible in this floor and the two extensions to the bigger shop, as it is now, as well. Julie tells me that her new business took off very quick and she could pay back her debt with the people within 4 months.

When I ask her how she convinced the people she tells that she had written down her business plan and drawn on a piece of paper what she wanted to do. So the people she approached could visualise her idea, all believed it would work and wanted to support her.

The business idea came out of a need, but was also out of interest because her father was the owner of a coffee plantation. She had always liked the coffee and thought that there was no place for people to be together without drinking alcoholic beverages. A place to drink coffee together would be an answer to this gap. (I will later find out that Julie’s brother was an alcoholic.)

The business started small 4 years ago, but have been growing since. In the beginning there was no space to sit in the shop, so people took the coffee from the counter to drink it in their cars at the parking lot in front of the café. She also baked pastries at home and brought them to the shop. This made the beginning hard and she worked really hard to make the business a success.

Before she started the gift shop in Nyeri Julie was working in Nairobi and used to save money. She had a little capital to start the gift shop, but also had to take a loan. When this first business did not turn out the way she wanted the loan was not paid off and her savings were used, which left her really broke.
Fortunately things took off. She had to find employees. Julie asked people in her surroundings about people that were looking for a job that fit her requirements. She looks for loyal people that are willing to offer the service she wants to give her customers. They must have an open character and be representative in the shop. Julie does not mind which tribe her personnel comes from, there are mainly Kikuyu working in the café because they are by far the largest group living in the region. She has 9 employees at the moment.

Her employee turnover is normal. Some left for good reasons, some for bad she says, but she is not to disappointed by anyone.

The next investment she would want to do is take over the space of her neighbours. This is a bar and club at night time, but they also made a café recently. It is not disturbing her at the moment, but she finds it annoying that Kenyans seem to copy all good ideas next to each other and are not creative or innovative in doing their businesses in any way. She complains about this lack of creativity by the example that when you see one tailor, all neighbours are also tailors, and when you see a vegetable shop, all neighbours are selling vegetables as well. She finds this very stupid.

The short term investment she would want to do for her coffee shop is to buy nice furniture, real sofa’s where people can relax and sit in her shop for the whole day. Her ultimate dream would have the coffee shop really transformed into a coffee house, with some land where people can sit outside on nice furniture with bonfires when it is cold.

Besides the neighbours there is no real competition in town. One other bar on the other side of town tried to do the same thing, but failed.

To the question what the largest barriers for growing companies are in her opinion it is hard to find a space and to get the finances for it. Kenyans seem to copy all good ideas next to each other and are not creative or innovative in doing their businesses in any way”. This means an amount of money only to get the plot. This is of course very expensive and therefore it is hard to move from the plot where she is now. Her requirements for a new place would be the ambience of the location and whether there is a good parking lot for her clients as she has now.

Her customers are mostly middle and upper class. A lot of government executives have their coffee and lunch there and furthermore other people from working class. She has done some marketing in the form of a website and a Facebook page. She keeps this up to date, although the website does not receive lots of hits. She has also been on television two times to talk about coffee and in the newspaper with interviews about coffee and she placed an advertisement one time.

She pays her employees monthly their fixed amounts. When they are longer in service they get a raise once in a while, there is no fixed plan for this. Paying salaries was a big problem, with the large inflation since September 2011. It were 5 tough months and she was sometimes not able to pay all her employees, but they all stayed with her and she tried to get their money as quick as she could, but was unable to raise the prices because the customers in Nyeri are very price sensitive and would not come any more. The other way around she also helps her employees out when they have money issues. This works in two ways.
Julie really believes in teambuilding for her employees. She works on every spot they are fulfilling herself as well so she has the overview of what is happening in her shop at all placed, and is not above her employees but cooperating with them. They have team trips with the crew to increase the joy in work. This time they might even go for a weekend to Mombasa because they survived the tough year.

**Service** is something that lacks a little in Kenya. She says you can really make a difference when you offer your product with a smile and some explanation or small talk. This is most of the time lacking in Kenyan business. The product is there and the business people want the money for it, that’s it. They have no further interests on who their customers are and what they want. Innovative & creative thinking would contribute to the service Kenyan businesses provide and would definitely stimulate growth of the small businesses according to Julia. For now she distinguishes her businesses from all the others this way.

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Julie asked people in her surroundings

Kenyan not creative or innovative in doing their businesses in any way

Service is something that lacks a little in Kenya

She had to be very creative
Interview 17 – Lillian

Interviewee Lillian
Business Julie’s Coffee shop
Function Service & Kitchen
Date May 25, 2012
Location Nyeri
Contacts -

Background

Lillian is one of employees that has been with Julie for a long time.

Transcript

Lillian likes her job very much. Before she used to work in a hardware shop, but she likes cooking and food, which made her interested in a job at Julie’s. When Julie needed more employees she applied and got it. The place she likes to work most is service. She wants to treat the customer the right way so that he or she feels very welcome in the shop. She feels very connected to the shop and likes working with and for Julia.

There is a two-monthly schedule with the shifts on it hanging in the kitchen of the coffee shop. There are two shifts a day, morning/afternoon & afternoon/evening, and an employee can also work two shifts in a day. When an employee has worked a long shift he or she does not have the morning shift the next day so is able to relax a little before going back to work again. The employees help each other when they cannot make it to a shift. They help each other out when that is necessary. They do come in time because, Lillian says, the shop needs to open early and in time because the customers need to be able to get their coffee before attending their job. It would be bad for the coffee shop if they found themselves for a closed door.

Lillian has become real friends with some of the other employees, because they are really good colleagues and all live in the neighbourhood. She also enjoys it a lot when they do fun things with the team. This makes her love her job even more. But without she would also like it because she loves how the place looks and when the customer is very satisfied with the service she offers. This satisfies her a lot.
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Background

Lawrence is Julie’s brother (Julie’s Coffee Shop) and I meet him there the first time. He started a rehabilitation centre for alcohol addicts last year, out of his own experience with rehabilitation from alcohol in 2007.

Transcript

Serenity springs Centre opened its doors in March 2011. It was founded after Lawrence helped a young men to start a rehabilitation program in a clinic in Nairobi. Lawrence did an intervention with the guy and his family and pushed him over the barrier of acknowledging the problem. The mother of the family was so grateful and wanted to cooperate with Lawrence to continue his practices. The mother, a nurse from profession, collected money with two of her sons, an accountant and a doctor, and together with Lawrence obliged to lay in 50,000 KSh. Lawrence had to borrow money from his family for this, but together with the whole family they managed to help him all in small pieces. This was the starting capital with which he could realise his centre.

Lawrence did not want to take a loan at a bank as a starting capital, because the interest rates are too high. Borrowing money from your family is better and more easy because you do not need a collateral, but personal ties will guarantee that you will return the money. The cooperating family trusts him with the capital, because of the relationship that was established when he helped their son and brother.

It all begun with Lawrence’s own addiction to alcohol. His problem had been so big that he even slept on the street, ended up in jail, and tried to commit suicide. Somewhere in 2006 came the awareness that he really had to do something about his problem which he did with the AA program. His experience with the 3 months program offered by the AA was very good and after graduating from the SAPTA course in Nairobi, a course for alcohol and drug abuse counselling, he looked for the opportunities to help other people.

The centre employs a cook, a watchmen, and two counsellors besides him. There is a nurse on contract basis, a doctor and psychiatrist that works on visitation basis, and an accountant that is paid on workload. The business is stabilizing nowadays, he does not make profit yet. The 4 people he employs are paid monthly, he himself does not earn a salary yet. Except for the nurse all employees are men.
The price for a treatment is 90,000 KSh for 3 months. This can be expensive for the families of the addicts, which is why the payment is flexible. The first month 40,000 KSh needs to be paid, the second and third 25,000. Up till now everybody paid eventually. Sometimes Lawrence had to chase the people that had a hard time with the high prices, but after the treatment was completed everybody was able to give the amount they agreed on in advance. Sometimes a deal is made, for families that are really unable to pay a price arrangement is done. This is defrayed by the other clients that do pay the full 90,000 KSh. Other clinics often ask 110,000 KSh thus the price that Serenity spring Centre asks is reasonable.

The capacity of the centre is 20 clients, there are 9 clients there at the moment and 12 beds are bought (which means that there has been a maximum of 12 clients at the same time for the last year). Last year he had around 19 clients. Clients can come and start whenever they want to, because you cannot let an addict wait for starting the treatment. Lawrence is not making profit yet, but the business is stabilizing, which he thinks (and hopes) is normal for a business of only 1 year old.

Lawrence is trying to get his centre NHIF registered. This way employees of the government will also be brought to his place. There is a big clientele because the governmental employees seem to drink quite often. The government pays a part of the costs for rehabilitation through the NHIF, so the barrier to go to a rehabilitation are lower because the clients have to pay less themselves.

The marketing for the centre is done through newspapers. He placed an advertisement and told his life story to the newspaper. This way he must have reached at least 40,000 people. He also has flyers and visits churches to tell the people more about addiction and how you can help your family member in realising that he/she has a problem. His clientele is now coming out of the whole country.

He follows his clients up by phone. He is not yet able to do otherwise. There are some AA groups around the country to which he directs his clients to help them in the follow up process after rehab. He sometimes calls to know whether they are doing all right or not.

That addicts are not to be trusted is a stigmatization of addicts, according to Lawrence. He says an addict has become another personality, the addicted personality. You cannot account the actions the addict does to the person and definitely not think that they are a person’s real character traits. The addicted character has taken over. This is how after his addiction Lawrence is still able to trust others. He knows that when you are an addict the alcohol or drugs are the only thing a person thinks off. It has become an obsession and more important than anything else in life. This is the character of addiction, not the character of the person carrying the addiction.

Most of the addicts are very humble people and abused substances to participate in a society where people are very outgoing and able to speak up for themselves. That is why most addicts also need to establish their self-esteem in the clinic. This is done by helping them get in touch with spiritual principles in the form of the higher spirit. This helps them with finding their principles. They are free to choose any god they want, but it really helps in the process and also very much in staying on the right path. Because an addiction stays with you for a whole life.

With his employees he had good screenings of their backgrounds to check who they are. He looks at their job history. When a person has been in a job for a longer period and does not ask for a lot of money the person must be consistent and willing. These are two of the
criteria he selects on. He also asks for dedicated people. It can be hard to work in a starting business so his employees must be really motivated to do the job. He checks this with the families and background.

In the beginning another counsellor was at his side to assist, but they did not get along. He was complaining a lot and not so dedicated to the job as Lawrence is. Now he has found two new counsellors, of which one really balances him very well since Lawrence seems to trust people to easy and this guy helps him to ask questions about things in life that should be questioned and not trust people to quick. The first counsellor got a job elsewhere, the feeling was mutual.

The partners are not actively participating in the business. They all have their own jobs and let Lawrence run the business. He is not really a boss boss, but tries to cooperate with his employees. Especially the other counsellors. It came as a little surprise when they found out that the new cook turned out to be an alcoholic himself, and he is now following the program with success. It might even be the reason why the cook had applied for the job, according to Lawrence.

The guy he helped in the beginning to go to rehabilitation, which family are the partners, is now starting a follow up group in Nyeri. This way they can cooperate and even provide better service to their clients in the future.

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Interviewee Redine
Business Equater Fuelwood Energy Saving
Function Organisation coordinator
Date May 31, 2012
Location Nanyuki

Background

I talk with Redine because I have to wait for Josphat for some time. She tells me some interesting things, our conversation actually transferred into me interviewing her and I decide to write them down as well.

Transcript

Redine's function is to coordinate the organisation that was founded to bring communities together. These communities are registered as a group at ... and are then enabled with the products that EFWES supplies. She tries to find people that are interested by collecting interested woman and educate them in the possibilities of payment for the different products and how they will earn the investment back.

Training and education of the customer is thus very important with this product, since the customer is not able to see the benefits on the long term by him or herself. It asks for a large investment in the beginning and it is sometimes hard to see for the customer that in the end they will benefit from the product. This is insight comes with some education.

These community customers are mostly woman, because they are the ones dealing with the cooking and the energy use of a household. Sometimes a man is registered by his wife in the group, but often all they do is pay, not participate in the process.

The groups work like this: for example 8 woman join together and register as a community. Every member has to pay an amount for which the responsible women for the group account. They collect the money and bring it to the organization. When things go well the group is able to purchase more products. They often start with a few cook stoves and eventually buy these for everybody or purchase different other products.

The beauty of the communities is that when someone is really not able to pay the rest will take care of the money. They all know the reason why the person has not paid, since it is al happening in the community and there is a lot of social control. The groups are really helping and enabling their participants. This is also the reason why Redine loves her job. She has the feeling that she is really doing good
for the people, while she is working in a commercial business. Next to that she likes the atmosphere that the company has. There is one office at the town’s main street and a show room on the other side of town. She is flexible in where she works and she is out in the field a lot as well to mobilize the groups and educate them on their needs.

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Interviewee Josphat Kariuki
Business Equater Fuelwood Energy Saving
Function Founder & Director
Date May 31, 2012
Location Nanyuki
Contacts equaterfuelstove@yahoo.com – 0722309578

Background

Josphat is the founder and CEO of the EFWES enterprise. He had no education for what he is doing, he is a self-made man.

Transcript

It all started when Josphat was the oldest of three sons and had to help his mother with cooking all the time. He really hated working in the inefficient traditional kitchen with a clay oven were a lot of fire wood is used to cook. He disliked the inhalation of smoke and the time it cost to heat something or to prepare a meal. Than he already designed a more efficient cook stove for his mother that worked in charcoal and would help her (and him) to prepare meals much quicker. He just made this one out of clay in the “jua kali” way.

The company started in 1998. In 1997 his dreams came true when he found a job in the institution of energy stoves ‘Bellelife Foundation’. They made energy saving stoves for schools. He was trained there to make these energy saving schools. Sadly the program was already ending when he was just beginning, so he could only work there for 8 months. Because of the passion he had for the product he was able to learn faster and was able to learn about the marketing and fabrication. After the foundation stopped he wanted to do something with the skills he had learnt and tried to start up his own company. The first order was in Nanyuki for the United Nation. He had no money so he found a partner to produce the first stoves with.

They were looking for a way to get capital, now when someone placed an order they had to ask for down payment. The customer has to commit himself, to make the enterprise able to pay the material in Nairobi, produce the product and deliver it, then the balance is paid. That is the way they worked in the start. But when you have capital you can do like they work nowadays, show the products in a shop to the customers, that is easier for selling the products because the customer can really see what they are buying.

He started getting orders, go out to market, go to Nairobi to buy materials. That is the way he started.

Later he found new partners in organizations from other countries coming here to promote his business. Not really his business but the energy saving benefits from his products. GTZ is a German organization that has brought his enterprise very far. They came to Kenya out of good will and what they do is take some money, train Kenyans like Josphat and give them a lot of knowledge about domestic products and biogas. Then they let the newly trained persons market themselves and promote and run their business on their own. They even
trained Josphat to the level of becoming a trainer of trainers (TOT) and hired him later to do consultancy and trainings for them. This really boosted his knowledge and therefore his enterprise. This way Josphat also makes money by working for the GTZ organization.

Through the organizations he was introduced to different renewable energy products. This way he has seen the enterprise grow from one product to all his products. He now sells wind turbines, biogas tanks, the cook stoves for domestic use and also for institution use.

He has 6 permanent employees, and 12 on contract. Because he has merchants which are only used when he needs them. He can call these people whenever he needs them for the projects he has obtained.

Kenya National Domestic Biogas Programme is another programme that boosts Josphat’s business very much. The Dutch organizations Hivos & SNV sponsor this programme. The goal of this project is to deliver more biogas tanks to farmers in order to have them make their own biogas and ballast the environment less. For Josphat this is very convenient since the programme uses his products and stimulates his market.

Josphat has been in the Netherlands in 2006 for a competition of the Bid Challenge. It is a competition for entrepreneurs and links entrepreneurs and investors with each other. Josphat was a competitor in 2006 and his business model reached the semi-finals, which is why he was invited to come to the finals in the Netherlands.

According to Josphat the key of his company success is his consistency. Other companies do not excel well. Many Kenyans copy others. When they see a person doing good they just copy what that person is doing. When somebody else is doing good, they start copying that one. This way they are not consistent and have to start over and over again. Since 1998 he has not done anything else. Just following the line from his same business. He has never gotten any donation to start his business, but started from scratch and therefore continued doing this business.

He only took a loan to buy a good car. He says that it is really hard to start a business without a car. Especially for marketing it is very useful to have one. In 2006 he took the risk to go to the bank, the bank has a lot of conditions before you get a loan. He took 100.000 Kenyan Shillings and with his savings which was another 40.000 KSh he bought the car. The same car he is still driving today. This loan is paid back now.

The rest of his activities at the bank are for small overdraft. When he has to deliver a product he sometimes does not have the material or the capital to buy the material. Then he has to go to the bank to get a small, short term loan. Because he pays back so quickly the interest is very low, around 10 to 15 %. It is a more fair rate than the normal rate for a loan which is around 34%.

Transport is an important factor in having an enterprise in Nanyuki region. It is important that you can reach your customer for marketing and delivery of the products. Now Josphat has a shop were the products are shown like in a supermarket. Clients can come there and see what they want. It is a good way to serve the customers that are able to buy and know what they want.
A newer way of finding customers is through the community groups. These are groups of (mostly) women cooperate in buying the products which are otherwise too expensive for them. The group can get credit divide the products among themselves. They have to pay back in 6 months or a year. Then they can purchase other products. At this moment there are 10 groups in function. Josphat is the founder and chairman of Mount Kenya Development Initiative, the organization that brings the community groups together, but it is run by a separate committee. MKDI is a CBO (community based organization) and their goal is not to make profit, but bring communities together and stimulate their development.

The credit works as follows: the product serves as the collateral and the group pays back a fixed amount of money. Next to that the groups also have a saving account. They have to put the amount of money that they save by using less charcoal in a savings account. This means for example 20 shillings a day are saved by using less charcoal, thus 20 shillings a day needs to be put in the savings account. When they are not able to pay back the amount they should pay that month the rest of the money is easily fetched from the savings account. The savings account does not give any interest but is a motivation to save money and the group can maybe purchase a new product with this money.

The interest rate the groups have to pay on their loans is not fixed but determined per amount and how long they will take to pay it back. As an example a product of 4000 KSh will cost eventually spread over a year around 5000 KSh.

Josphat’s main work is to provide all people access to less energy consuming products. He is very busy with this and his company is going very well. Therefore he is not afraid of his employees starting their own business. He even stimulates it when they are up for it. He always tells them to find out how to do it themselves and wants to help them start their own business, because, as he says he could use some help in his mission of providing energy products. The market is very demanding and he has too many clients so he could use good people to cooperate with. This means that they will not turn into competition according to him. Up till now none of his employees that tried to start their own businesses succeeded. Josphat says that this is because they don’t know how to market themselves. They can be trained in manufacturing the products, but not have the managerial skills it takes to run an enterprise. Then they call him again asking for a job, so some are even back working for him.

He trains all of his new employees himself to know what kind of person it is and be sure that the person learns everything the right way. He finds new people through newspaper advertisements and job recruitment agencies whenever he needs them. It does not matter much what kind of background a person has, only if they are interested in the function they will carry out. They are trained for the function anyway. The trainings vary for merchants it is a 3 day course with all technical features explained, the training for marketing is 2 or 3 days, and others like administration 2 days are enough. He does not perform the trainings all by himself but also hires some external consultants to give them for him. In selecting his personnel he does not look at tribes at all but to what kind of person it is and whether he or she is up for the job. The company is very much a mixed company, but not deliberately, it just happened. There are also ladies working in the company, but they are not employed as merchants. Josphat would like to have one, but did not find a technical woman yet.
Josphat closed a deal with Equity Bank this morning. They have a Memorandum Of Understanding together. He is selected by this largest growing bank in Kenya, with two others nationwide, to provide the customers of Equity bank that want to have a loan or microcredit to buy an energy saving product with this product. The customers of the bank pay back their loans to the bank and EFWES gets the money immediately from the bank. This is a very big market for EFWES since Equity bank is holder of 47% of the countries bank accounts. When I ask Josphat why he thinks Equity bank is so successful he says they provide very good service and are really capable of listening to the client as the slogan says: “Your Listening, Caring Partner”.

Josphat also has some connections with ministries of the government. The Ministry of Energy is one that provides Josphat good business. Another is the Ministry of Forest and Wildlife. They even gave people living in a national park subsidies to purchase Josphat’s energy saving cook stove in order to have them cut less trees, which causes the rain to stay away. This cooperation has been very good for his business.

For the future Josphat wants to find a partner to start biogas packaging. He needs 50.000.000 KSh to start it so does not want to carry the risk alone. With biogas packaging a new branch would be attached to his business and offers a change for other small businesses as well.

Josphat thinks the largest barrier for entrepreneurs in Kenya is that there is a missing link between entrepreneurs and investors. It is very hard as an entrepreneur to get the money you need to start a business. The conditions and collaterals are very harsh and the interest rates are very high. The SACCOs are also a ritual that does not help the people, but instead takes a lot of money from them. This can improve when there are better terms for loans, training for management, and expertise of entrepreneurships.

Cooperation is possible and a solution as it happens now for the communities, but it is important that all partners have a common interest, otherwise the cooperation will not succeed.
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Interview 21 – Patrick Munjogu

Interviewee  Patrick Munjogu
Business  Equity Bank ‘Your Listening, Caring Partner’
Function  Branch Manager Nanyuki, Business Growth & Development Manager
Date  June 7th, 2012
Location  Nanyuki
Contacts  patrick.munjogu@equitybank.co.ke, 0722775019

Background

I find out that many MSEs have their bank accounts in Equity bank and the bank is growing very quickly. Every morning there are rows of people in front of the bank waiting for their turn. This is the reason I decide to try to talk with the manager of the local branch of Equity Bank in Nanyuki, the head office of Laikipia County.

Transcript

Equity bank started in 1984 as a building society. It was struggling and converted into a bank in 2005. The strategy was to let it be a bank for everybody even the less fortunate. In those days other banks raised their minimum amount of money that the customer should have in his account to 10.000 KSh. Equity bank did not have a minimum and opening an account was for free. There are no service charges only for transactions. The bank’s strategy was from the beginning to serve the mass, many people could be served for little instead of a few for a large amount of money.

The loans that are given out are without a lot of security. Household goods and livestock cattle could be used as collateral. No hard conditions or large amount of capital were necessary to loan a little money.

There also came the possibility to loan together with a group of people and guarantee for each other. The people went to Equity bank for this instead of going to the SACCOs because the bank offered flexible repayment (there is a minimum), and the interest rates are on the low side. Furthermore, the bank offers every service other banks also offer, mpesa, internet banking, etc, etc.

Equity bank is really a culture. The employees are trained to be humble and listen to their customers very carefully. There is a strong, emotional bond of understanding with the customer. The training offered to the employees is done by a team from within Equity bank and by hired consultants. Also management personnel is trained before they are placed in their management function.

The banks goal is to empower the community. This message is also carried out by the offering of scholarships to children of the less fortunate. Every equity branch gives out around 20 of these scholarships for smart children of parents that cannot pay the fees for secondary school. This message is taken up by the community very well and has brought equity bank more customers.
What happens is that when the mass of lower income people have their bank account at equity, it is more convenient for the more upper class people with businesses as well. The transactions for their company is so often with equity accounts that it is easier for them to have an account there as well, which is probably why equity has over 50% of the Kenyan bank accounts by now.

Equity also offers a training to the people that want a loan to start a MSE. The bank offers them a chance with little security and an 8 week training programme to learn how to handle the money in the right way. The training consists of: Savings, Budgetting, Dept management, Bank products. The training is done in groups, which can choose the location for themselves and a representative of Equity provides this training there.

Equity partners with different other parties. For example EFWES from Josphat Kariuki (interview 20). The most important thing for the bank is that these partners have the same goal as the bank, empowering lifes.

The loans are mostly between 100.000 and 500.000 KSh, but at equity bank you can get micro credit for as little as 500 KSh. The interest rates are now 24%.

Patrick sees that entrepreneurships are successful when the entrepreneur is confident. This is what the bank tries to provide the entrepreneurs with. When confidence is installed a person is worth more and can be trusted. Small businesses fail because of mismanagement and wrong strategies according to him.

For the future Equity is now focussing on the youth. There is a large market in the youth and special youth products coming up, which work similar as the community loans, but with lower interest rate. The youth have to be in a group to get a loan in order to control each other and learn from each other. This way they will not have to carry the responsibility on their own yet.
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Background

Sally is a volunteer for VSO and came to Nanyuki one and a half year ago. She will be here for a half year more as the project leader of Il Ngwesi. She has experienced the way the project started and what challenges it had to face.

Transcript

Il Ngwesi is a project that started almost 4 years ago and has European funding. There are volunteers from VSO working on the project, but because of the funding it is also possible to employ some paid community development workers. Although, since these get paid so little they do not even start their job most of the time because they get a better offer.

The project is spread over a land of 1500 ha, it contains 4 umbrella organizations that contain 4 to 7 smaller groups. The umbrella groups consist of around 30 people each. The project has 4 pillars:

1. Re-establish the old traditional craft skills and combine hem with new skills. The older woman from the maasai tribe train the younger woman for the old traditional crafts, since these skills were not transferred any longer and the younger woman were not able to do it. The training also focusses on how to handle and keep record of money.
2. The project also focuses on working in groups and group functions. This is an easy job since the maasai already work this way. Every group member has a function in the group and performs this one.
3. The third pillar is microfinance. The people are trained how to handle the money. Keep track of costs and time and therefore learn about earning models.
4. The last one is the situation of woman in the community. The man woman roles where very far apart. The woman were not allowed out of their houses or have influence on any of the community’s activities. With the project the woman earn an income which gives them the freedom to spend some money of their own. Next to that their position in the family and community has changed. The women are more visible now. Recently the place where they usually meet shifted from somewhere behind near a tree to the meeting place in the centre of the village.
The woman see Sally as a role model. She is a British lady driving on a motor cycle from village to village. When she came into the project only the groups where established by her predecessor, but not much further. The products the maasai were making were not suitable for the international market and she made new products and product ranges. She created a collection of items and colors. What she wants to establish in the final 6 months is that there will come a maasai trade mark by which the customer can see that it is really maasai made. She wants to do this with the other organizations that area trying to do the same thing. When they cooperate the quality of the market can be better. The Chinese and Indians are also making the same products, often of less quality and sell them for very low prices. With the trademark there would be a better visible distinction between the two.

Most of the time they produce on order for export. This often goes wrong, since delivering on time is really hard. When they send from Nanyuki it takes 2 to 3 weeks to get the products in Nairobi. This is something that you do not know up front, so you have to find it out by doing and checking.

The rest of the products is sold on markets. This brings the problem that all woman want to attend the market to sell their own items. Sally says that this is because they do not trust the other in selling skills and do not believe another woman will get the right price for it. It is also the case that the woman get paid per sold item. So when your products are sold more you earn more money. I think this is also a very good incentive to be at the market where the products are sold. In the end you have market stands with too many woman behind it and the customer can be intimidated by this large group.

Sally cannot recommend dealing in Africa. She says it costs too much time, people are really time inefficient. It is more expensive than the producing the same product in Asia. And the third thing is that the people are inconsistent and you never get what you order. Sally gives an example of a second order of 200 pieces of jewellery. Where the woman that makes them changed the pattern during the second order. When Sally asked why she did not know.

The main barriers for business in Africa is according to Sally communication with different cultures. The Kenyans do not read between the lines when a British customer is cynical in an email. This makes communicating very hard. Email is something that is not very established at all in Kenya. It is quite expensive to send emails and cheaper to do this by phone, the problem with that is that you do not reach the international market. It is necessary to have a person from western culture in the business to communicate with western customers according to Sally. So she thinks a mix between western people and locals will be best.

Furthermore she does not believe in capacity building by training people for a long time. She says here in Kenya everybody believes that with enough training everybody can do anything, while you also need skills and expertise to perform the job.

The volunteer projects are often funded for the project, but not for expertise. This is very unbenefficial for the projects since having the right people is essential. Another problem is that there is no staffing overheads in funding. When someone leaves, the next has to invent the wheel for himself again. This is all not only relevant for Kenya, but for developmental projects worldwide.
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The man woman roles where very far apart
people are inconsistent and you never get what you order
Keep track of costs and time and therefore learn about earning models.
Interview 23 – Alan Paul

Interviewee       Alan M. Paul
Business          Eco Fuels Kenya Ltd
Function          Director
Date              June 8th, 2012
Location          Kifunja
Contacts          07 12684160

Background

Alan is a white Zimbabwean that has worked as a consultant in different countries in South and East Africa. He has taken over the biofuel and organic fertilizer factory of the Help Self Help Centre, a local NGO in Naro Moru.

Transcript

The first time Alan visited the factory was because he was performing a research on biofuel for an American company. The American company turned out to be untrustworthy, since they kept making promises and never made them come true. He quit the job and talked with Bernard (HSHC) about taking over the company. Bernard gave him a chance to show whether he can make the things he claims to be able to improve work out and they made a construction with shares for Alan to take over the company in a few years. When he came in Bernard was not even making enough profit to pay for the staff salaries.

Alan first looked at the efficiency of the process, because he looked at the financial model and has seen that the factory can be profitable and sustainable but it needs to be efficient in order to do so. He tells that there are some machines that have a capacity that is 4 times as much as the others which makes the process as a whole not optimal. The design is not optimized for the workflow and the material flow. This is something that he says he cannot explain to Bernard or the other Kenyans working in the factory. Reinvesting in the machines is necessary to increase the capacity. Alan is comparing different offers from India, China and Europe to buy new machines. When this has happened the process can be profitable, sustainable and totally eco-friendly.

The waist product, the shell of the nuts, can be used for charcoal and organic fertilizer. Karaya the general manager told Alan to go into the organic fertilizer, because it would sell for a higher price, so that is what they are doing now.

People will be paid for what they produce. Not being paid for time because this does not motivate to work. He also wants to use as little employees as possible. Even contract only 2 or 3 and use the others as casualties when he needs them.

Lodges and the big farmers are his clients, because biofuel is a very slow igniter, which makes it very usable for big engines that are slow but stable. Examples of these kind of engines are water pumps, generators, and tractors and other big land machines.
Alan sells the biofuel and Karaya’s job is to sell the fertilizer. Karaya’s background is a lifetime in agriculture and 8 years of research for the government on what pesticides to use against the small organisms living in the soil. That is why he was given a job at the factory. He was there when Alan came, but he was paid very little and therefore little motivation.

Allen kept all the workers from the factory because they know the system, but what they lack and what Bernard lacks is organizational skills, organization abilities. Here in Kenya very few people understand how to organize the workflow, people flow, material flow and organization structure. This goes for all the sub-Saharan African countries. Alan says he has never seen dark children playing with lego or mechanoo. European children like putting together structures like that. His sister is a teacher and took the Rubix cube into class to her children from 6,7 years old. The black children have so much trouble to understand what to do. White children can do it. The fastest child she ever had was a Chinese girl that did it right away. Something about the Chinese brain must understand it, blacks cannot see this kind of logic. He gives the example of the process in the factory. He thinks this can change.

There is an organization structure. That is easy with ten people, anyone can understand that. The challenge I have seen here is for an individual to organize and grow a company. In US and Europe people can do it, in Zimbabwe there are some people that can do it, here in Kenya are also some people that can do it, but they are very very few. In Europe you’ll find multiple organizations, here in Kenya everybody is a trader, majority of people are selling second hand good. Buy and sell. But they do not make an organization and work together to produce and sell with a good profit margin and get economies of scale.

People working together is very hard to find here. Allen does not like to call his employees staff, but instead uses people. He also worked with his employees on every different machine in the company for one week to try it out and really know where he is talking about when he tells the employees what to do and for how long. He tested on every machine how long you can do the same job without getting too tired or bored.

Del Monte (large company in fruit juices) and Coca Cola have both shown interest in the product. CC would take of 1000 litres a day and DM 3000 litres. The capacity now is 400 litres a day, so the company would have to tenfold for this. The problem with Kenyans according to Alan is that they do not want to work night shifts. In the rural part of the country you tell people to clock in at a certain time, but they won’t do it. At five they think ‘well it is time to go home’, and they go home. Shifts where you can make a machine function 24 hours will not work. In the city people can commit to their jobs easier because there is transport. Here there is not. You cannot work a night shift because there is no way to come to work. A factory in Nakuru solved this problem by automating everything. Here we have manual labour. There you can just sit behind computer screens watching everything happen. Alan wants a mix of the two, I will require manual labour and require some automation. Here the manuals make many mistakes and they do not work teamly, so things are not going efficient. That is why he has to do some automation.

I ask Alan why he went to Kenya. He tells me that the Americans he worked for send him here to do the research about market for biofuel. Because this project is already going he started his factory here. Alan buys shares in the company. At the moment Bernard and Alan share the company 50-50. Alan will buy more and more and then come to a percentage of hundred. Alan pays the employees and pays for all the expenses, this money is converted into shares with a value that is set in advance. The value of the company is around 3
million USD. The figures that were given to value were just fabricated and too high. Bernard was telling the staff to lie. Alan does not trust Bernard anymore because of this. The information was false, thus you cannot trust anybody here, you have to check and check and double check. He almost walked away, but Bernard plead him to stay and they made a new deal from this.

Because the people, building and machines are already established, Alan says he has about 6 months ahead start. After 2 more years this project can be profitable.

Main barriers for growth in Kenya, is not a real barrier. There is no government barrier, no tax barrier, but the biggest challenge is the attitude. People are not motivated to work hard or at all. Alan says that he has to supervise that the work continues. Before it was normal to only work when an order came in and sit and rest for the rest of the time. Alan changed this and they are now working continuously. It was not so hard to get the employees motivated to do more but they are still working at 80%. They are paid a fixed salary at the end of every month. This motivates because before they were not paid at all sometimes. When the factory gets profitable there will also be a performance bonus. You can motivate Kenyans with money, this is a good incentive.

Every Monday morning they have a meeting with the whole crew. They discuss things about the work but also private matters. All of the staff are given loans so they have some money to spent. They always try to get more out of it, but when you say no it is also no point.

I ask Alan if there are still vestiges of colonialism visible in the country. He tells me very much, the education system is based on the British curriculum, there is a good education system. This country has it and Tanzania has not and that is a big different. The English also brought in voting and democracy.

Tribalism in the factory is present, but in the way that everybody is Kikuyu, except for the Luya guy that supervises all the workers. He is a very organized guy. When Kikuyu’s work for another Kikuyu they do not work hard, now they listen to this Luya supervisor. Alan thought they were losing material, then he found out that these people are so used to being dishonest that they were just making up figures. They did not count anything, but just reported something random. It is in their nature to make things better than it is in reality. For example in a restaurant the waiter will always tell you in first instance that something is there, even though he knows it is not, then after 10 minutes he will be very embarrassed to come out of the kitchen and tell you it is actually not there. This shows that there is no future perspective. This is also visible in the way to have children. The vision is lets have many children so they can take care of us when we are old, but no thoughts are about the school fees and the money that is necessary to bring up the children. This must change especially with the eye on the available resources in the country, lack of land, water and food. This is changing now, but it will at least take a full generation more before the change is fully established.

For the next elections Alan thinks that the politicians are well aware that they are watched by the world and that they have to make sure that things will proceed peacefully.
There is a general lack of self-esteem, self-worth is low, and to little confidence. This makes that when a person does something wrong he does not feel bad about himself. Only when others see him doing it, it becomes a bad thing. That is the moment a person feels ashamed, not from own consciousness. This is a difference in value system.

When I run into Alan the next day he tells me he had left the company that Friday for two hours and that, when he got back, an employee was filling large sacks of 40 litres with the nuts that should be packed in 2 litre bags. The employee told Alan that they would divide these 40 litre bags the next day (Saturday) into the 2 litre bags by hand. He just created another workday for himself and the rest of the team and Alan has to pay them overtime and has to supervise that day as well. He thinks his employees really do not understand that it could be done easier and more efficient by filling the 2 litre bags immediately.

Remarks

The afternoon after my interview with Alan I heard a different story about the shares of the company than he has told me. The factory will never become Alan’s, he will always stay a shareholder with less than 50% of the shares. The HSHC will always stay the owner. Bernard has given Alan a year to proof that he can run the factory, then he can stay. The American company that Alan worked for is said to be sewing him. The story is he did not leave out of free will. This is something that I can imagine you do not want to tell everybody, so it does not effects my belief in him. Alan does tend to tell the truth maybe a little more convenient for his side than it is in reality.
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<td>Uncertainty avoidance</td>
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<td>Long term orientation - Short term orientation</td>
<td>in a restaurant the waiter will always tell you in first instance that something is there, even though he knows it is not, then after 10 minutes he will be very embarrassed to come out of the kitchen and tell you it is actually not there</td>
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There is a general lack of self-esteem, self-worth is low, and to little confidence.
Background

Grace is a tailor that is operating from a small building on the ground of the HSHC (Help self Help Centre) where I stay during my time in Nanyuki.

Transcript

Grace came to work for HSHC back in 2006. She was employed by this NGO to train 15 local orphans to be a tailor. This was an unsuccessful project because the HSHC was not able to pay her. She asked the manager of HSHC whether she could stay at the site and start her own business again, without training the orphans, and he agreed. She started her business and taught the orphans that were there the profession, but did not take up new students until they were all ready to go.

Grace had started her own tailoring shops before. She picked the profession because she noticed she was creative with fabric and very accurate, so she knew she would be good at it and went to school to become a quality tailor at Nanyuki Millimak school, a catholic mission school. In class she was also watching how the lecturer taught the ladies the tailoring which is where she learnt how to teach from.

She started her first business in Naro Moru, then went to Meru, then started a new one in Nanyuki, closer to home which is near Nyeri, then she started again in Nairobi for one year and came back to start in Naro Moru again. When I ask why she moved so many times Grace answers, because she was young and restless. In Nairobi she got paid too little to continue, which is because there are too many people looking for a job there that the competition is killing.

The first business she started was one which also included a training for desperate women. She trained 4 women for the amount of 500 KSh a month. Next to that she performed her own business which gave her a profit of about 3000-5000 KSh a month. This was not much and she really had to struggle.

Some of the ladies she trained went to Nairobi to establish themselves there, a fact of which Grace is very proud. But because she has trained ladies from the neighbourhood there are some of them that established businesses very closeby. Grace does not see them as competition. She says her customers will always come back to her, even when she is further away. They will travel to make use of her
services since she provides a good quality job. She has a vast customer base of people from Naro Moru and even Nanyuki that will come to her to repair or make clothes.

Sometimes she employs 2 or 3 others when she has large assignments. Examples of these assignments are occasional dresses, like wedding dresses, or school uniforms. She has to make so many that she really needs help. She does check the work of the others, because she is really keen on her quality. Besides these assignments she does not like to work with others. It is too much fuzz she says. You cannot rely on other people, the only person you can really trust is yourself.

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Interview 25 – William

Interviewee: William
Business: Ecosandals
Function: Supervisor
Date: June 13th, 2012
Location: Nairobi, Kariobangi
Contacts: 07 89974687 – billmburugu@yahoo.com

Background

William only works at Ecosandals for a few months. He is the supervisor of the team and actually the leading man of the group (he and Michael), although he does not want to say that because the team and group spirit of the company is high.

Transcript

Ecosandals started in 1995 as a Self Help Group. A group of friends that wanted to serve the community in this poor neighbourhood. It has been developing since then, but in 2007 an American guy named Matthew Meijer passed by and decided to stimulate the project. The group was turned into an Ltd. Now it is a social commercial company with the goal to employ people in order to empower them.

The company has 5 permanent employees and 6 casuals. They can be called when they are needed.

Start-up businesses do not have access to the world market. Ecosandals is on the world market for 10 years now, this makes it very successful. Another key quality is that it has very good quality products, only 1% of the sandals is returned and this is most of the time because the size is not right, not about the quality. The sandals will go for 5 years after purchasing. They are serious guys, that want to be better than their competitors. The quality is checked by the head of each production team, that are Rose, Michael, George, and himself.

Access to the world market is possible because they are able to speak the same language as most of their customers (English). They are negotiating with Australian and Canadian shoe shops now and the customers they export to are from the VS.

Via the website people around the world can find them and there is also a Facebook page with pictures of the products and information on developments in the company, like new products, new people, vacancies, etc. Furthermore people find them by mouth to mouth marketing, because others recommend Ecosandels. There are 30 different designs or SKUs (standard selling units). But every design you can think of and explain is possible.

The manufacturers are paid per product. As a stimulant to work when you are around and not just sit there and waist time. They can come whenever they want, but because there are many people employed that like the work most of them will come on time and almost every day.
The employees are trained during a 6 months training program. During that time they are paid a fixed salary per day. When they come for the training is very flexible, it is not obliged to come a full time week. The newcomers do not need any qualification, only be interested to work in the company. The people are selected in the process of training. All interested get a chance. After training they are allowed to leave the company right away. The training is the social part of the company. They do it without benefitting from it sometimes. Once employees are in they become part of the team and the ways of production are taught by the whole group of manufacturers. Everybody is very welcome. Team spirit is a key issue in the way the company works. The only constriction the employees are warned for that they cannot learn how to manufacture the sandals at Ecosandals and then steal the design to go produce and sell elsewhere. To produce sandals is okay, just do not copy the designs. The employees have to sign a kind of contract for that.

When Ecosandals has to deliver an order they really look at their technologies and capacity before they tell the customer when the delivery can be done. They even build in a marge of week in the time allowance because shipping can take longer sometimes. This is more efficient in costs and keeps the customer satisfied. They do not have fixed partners for delivering. Sometimes EMS is the cheapest, other times another company. It is a dynamic business and so they shift to whoever is the most convenient to use for various reasons. Ecosandals always checks whether that their promise for delivery is kept with the customer. This is done via email, before the client gets upset because things did not arrive. When the delivery has to be done again this is for Ecosandal’s own costs.

Key values for the company are Service and Quality. That is why they give out a guarantee that the sandals will last for 5 years. Nobody ever came back because of the quality of the slipper.

There is a big difference in price for the sandals between Kenya and international. In Kenya they cost 1000 KSh and in the West 45 USD. It depends on what the market wants and is able to pay for the product.

Ecosandals has a few partners for materials and a few regular customers. They sell the product in different places in and around the city. There is an agreement on the price they have to pay for the sandals, but they can resell them again for any price they want. It is not stated from Ecosandals what they should ask, that is totally their own business. It depends on where shops are located what they can ask.

Marketing is mostly focused on business to business to footwear stores all around the world. This is George’s responsibility. In Kenya William does the marketing. He goes around with samples to persuade people, face to face marketing is the most effective according to him.

They only make to order, there is no stock. A delivery depends on the size of the order.

Financing is done by the equity partners Matthew gathered. They are not involved in daily business Their goal is to support the company to grow. That’s why they do not have to see which dollar went where, they want to see the overall results. Matthew is involved with decisions and reports to his equity partners.
The company structure is not hierarchical. The coordinating team consists of Michael, George, William and Rose. William is the supervisor of this team and leads the weekly meetings. They have meetings with the four of them to discuss the week targets of every one of them and feedback last week’s results. Then the coordinating team separates and collect their team of manufacturers and discuss the targets and how they are going to do it. Everybody is allowed to speak and say what he or she thinks. This way every single person that works in the company is involved in the way the company operates. Everybody takes part in the team. The goal is to share and learn from each other to improve the production process.

Every worker with a fixed contract is a business owner. This means when the business grows, he or she gets a larger income. The share is valued into income.

The permanent employees are paid monthly on the last Friday of the month. The casual workers are paid per week for what they have done that week.

Recently, the company moved into another building. This was because they had a problem with the city council. The city council wanted the working conditions to be better than they were in their previous place. There was no running water, no light and the roof was leaking. They did not get the working permit any longer, since it was not qualified as a safe environment for the employees and the landlord would not do anything about it. William and I discuss why they are checked and many others do work with a leaking roof - Kariobangi is right next to Nairobi’s second slum where work conditions are a lot worse – William says that the control has to select which companies they visit and it is more logical to go to larger or more successful companies than to the really small ones in the slums. The larger companies are checked on licences and health issues. The larger companies also have to pay for health insurances. Ecosandals not yet.

The largest barrier for growth is according to William a lack of capacity, financial and in skills. Also everybody targets the same market. This makes every segment highly competitive. Finding your market is therefore very hard. Many businesses depend on the local market, not the international market.

Another challenge is distribution of the products. This is hard because the roads are bad and cannot handle the capacity of traffic. Nairobi is completely jammed every morning and evening. This makes transport of products difficult.

The most important is the barrier to get finances to grow a company. This is really a challenge for most companies. So the lack of capacity is the biggest challenge.

Ecosandals gives business to business the opportunity to buy on credit. This way they serve as a stimulant for growth of small footwear stores. Another social aspect of the enterprise. Most businesses are highly constraint on budget, which makes them unable to make investments that can later bring a larger return.
One of the quality of Ecosandals is the personalized service they offer. The quality of the products is good and this makes the customer getting confidence in them and wants to order more products. They make use of the feel good aspect that comes when they follow up with their customers. They also call to receive feedback and use that for the next time.

The company is hardworking and industrious according to William. Like Nairobi’s work culture is, hardworking and fast decision makers are a necessity.

Interaction with the casualties is normal. They need incentives to work, this can be a fixed salary, but the more you make, the more you earn works much better. The company really tries to involve everybody and that means no differentiation in tribes, no tribal language and no team formation in tribes.

Punctuality is wished from the employees. This is sanctioned with a reprimand. On the other hand, production has emphasis so it is not very strict how long you are in the factory as long as you work hard enough. It is allowed to introduce relatives into the company, but they really watch that there is no complacency when one of the team leaders has his or her family member working in the same team. With putting relatives into different teams this difficulty is solved.

When an employee wants to become a stakeholder he or she has to pay his/herself into the company with money or offering expertise and skills he/she owns. So to acquire stakes one has to offer money or skills. The company is subdivided in segments. Local market is William’s segment, international market is George’s segments, and production is Michael’s segment. Everybody can come up with new designs, but the team has to approve them in the weekly meeting. Sometimes they try them out by making a few and show the new model to some customers. The company is constantly improving the catalogue.

I ask William if he sees vestiges of colonialism and what he thinks of that. He says colonialism brought dynamics in the country, it actually revolutionized it. It was actually the first step of globalization in Kenya and it really opened up the market for companies like Ecosandals to go abroad instead of only doing business between villages, what was the state of business before the British colonialized Kenya.

Through policy and governmental influence most people have a chance in business these days. There are special funds for youth and also for women. This offers more opportunities to these groups that were before less able to start businesses.

With creativity it is possible to start a different business than others and that can be very successful.

Company values can be the values of the customer. William did a management traineeship at Uchumi, a large supermarket chain. There he was learnt that the customer has a right to shop there, so had to be treated with respect. He had a training of 1,5 year. He really believed in his training and therefore in the vision of the company. Uchumi uses people from within the company and contracts consultants to give the training.
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<td>head of each production team; Team spirit is a key issue in the way the company works; with a fixed contract is a business owner</td>
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<td>Individualism - Collectivism</td>
<td>Little hierarchy, no differentiation in tribes, no tribal language and no team formation in tribes.</td>
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<tr>
<td>Masculinity – Femininity</td>
<td>The roles for men and women in the company are very equal. Rose is a member of the management team and there are also men doing beadwork.</td>
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<td>Uncertainty avoidance</td>
<td>Uncertainty avoiding, everybody targets the same market.</td>
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<td>Long term orientation - Short term orientation</td>
<td>Long term, Another key quality is that it has very good quality products</td>
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<td>Achieved – Ascribed</td>
<td>Achieved, So to acquire stakes one has to offer money or skills</td>
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<td>Sequential – Synchronic Time</td>
<td>Sequential, The employees are trained during a 6 months training program; they really look at their technologies and capacity before they tell the customer when the delivery can be done</td>
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<td>Internalism – Externalism</td>
<td>Internalism, It all started as a self help group</td>
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Interview 26 – George

Interviewee: George
Business: Ecosandals
Function: Head segment international communication
Date: June 13th, 2012
Location: Nairobi, Kariobangi
Contacts

Background
George is very young. He joined Ecosandals because they were giving free secondary school classes in evenings.

Transcript
When George turned out to be the best of the class, Matthew (the co-founder) asked him to join the company. Matthew taught him communication skills, especially IT related communication. George finds it a very nice challenge to communicate with unseen people. He acts as the head of the international communication segment. This means he is the keeper of the company’s Facebook page and he is the one addressing potential new customers. George just searches the web for potential customers abroad and writes an email letter to about 10 suitable shoe shops in a country. Mostly 3 to 5 out of the ten are interested and want to sell their product. The selection criteria for the shoe shops and potential customers are not that high. Ecosandals just wants to sell the high quality product they have and do not think of the way they put the product in the market. It is more a social enterprise than one focused completely on business.

George really likes Ecosandals as a company to work for. They work as a group which makes you feel like you belong there as you belong to your family.

When I ask to see the whole catalogue there is none with all 30 models that are sold in it. George tells me that is to be found on the Facebook page.

Remarks
It is obvious that George does not like communication in real life, or he is not used to communicating with strangers because he almost does not look me in the eye during the whole time we speak. His English is not that good, because he did not go to primary school (a common problem in Kenya). Hopefully he is more certain when he writes than when he is talking.

When I check the Facebook I see a, in my eyes, random selection of pictures that are posted there. There is no real catalogue or clear naming for the models and I think there is much that can be improved in this web marketing On the official website there are only 6 pairs displayed.
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Interview 27 – Joyce

Interviewee Joyce
Business Flowerbasket
Function Founder
Date June 13th, 2012
Location Nairobi, Ngong Hills
Contacts -

Background
Joyce is an alumni of Tangaza College. I know her from the inter cultural communication course at MIASMU where she was the coordinator of the field assistants and a field assistant herself.

Transcript

When Joyce could not find a job after her education as a social minister at Tangaza she had to find an alternative to make money. She thought about her skills and what she wanted to do and came up with the idea to become an event planner. This would fit her because of her good leader skills, quality with planning and creativity in decoration. Then one of her best friends got married and asked Joyce to be her first maid. This meant they would plan the wedding together, but since the friend had to work almost until the moment of the wedding Joyce had to plan and arrange everything by herself. The wedding was a great success and she thought her business had to be more focused on flowers and decoration for weddings and funerals. That was the moment the concept of ‘Flowerbasket’ was born and she opened a shop in City Market, downtown Nairobi in October 2011.

With Flowerbasket she provides weddings and funerals of flowers and decorations and when necessary she also provides tents and chairs. The tents and matching chairs are from the business of a friend of hers. Joyce gets a percentage when she brings in the client of the profit of her friend and when the friend brings the client Joyce pays her a percentage. This way the cooperation goes very well and for this month they have a wedding every weekend.

When she has a wedding she mostly employs three people to help her on the wedding day. These are all casual labour and they agree on a price in advance depending on the size of the wedding. Because it is hard to check everything these employees do and she wants things to be done the exact right way she tries to work with the same people as much as possible. This way she does not have to explain everything over and over again.

The market is quite easy to find. Most of her friends are in a marrying age. Through her friend network she finds more customers. And when she has done a wedding the people attending see what is done and ask for her. The only hard thing is that it is an on and off business. Some seasons you have a lot of weddings, sometimes not. That is why she also does funerals.
The business is already profitable for her and she can make a living out of this business. She owns most colours of draping now so she does not have to buy these every time. She asks about 30,000 KSh for an average size wedding. She makes quotations first, then she meets the bride’s couple and asks what for their exact wishes about reception, cars and the bridal party and then they agree on the price. The customer pays her in advance and she has not yet have any problems with it.

She has two floral farms where she always gets her flowers from. They give her a discount because she takes off a lot and on a regular basis. She was connected to these floral farms through the lady with the tents. Who she knows because she did the floral arrangements in the church Joyce visits.

Joyce says that knowing people is the key for her businesses and maybe important for all enterprises. She really needs her chain of connections to find new customers, but more important to have her rates low enough and still make profit. This only works when she gets the discount of her suppliers that she gets now. It can be the advantage she has on her competition.

Joyce sees market saturation and corruption as the two main barriers for growth of businesses in Kenya. There are too many businesses focusing on the same markets and people do not know which ones to pick any more. You cannot find good quality, because there is too much choice.

Corruption is the other barrier she sees. When you want your deals handled quick it is easier to bribe someone than to really wait. At that point you have to balance money and time and then most of the time paying a little under the carpet is easier. For Joyce’s own business this is of course not applicable. Big tenders for the government are often handled this way. The quotations of one company can be better than those from the other company, but the second company will still get it because they bribe someone with influence. It is also visible with court clarks. These are really underpaid, they earn about 10,000 shillings a month, but they are able to collect 5000 shillings extra a day! For this reason Joyce says Kenya would benefit from a less corrupt climate, but she does not believe it is possible to solve this lifetime.
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Background

Judith is one of the people that help me with my research from Tangaza University. During my time in Kenya I find out that she also is the coordinator of a training program for social entrepreneurship, of course I want to know about this.

Transcript

The project started in cooperation with Jos Rikkers from the Dutch Open University in 2008.

There are 6 Dutch people involved and an team from the US. They all sat together and thought of a strategy that would make the training achieve the goals they want to achieve with it. The main goal is to let their students really understand entrepreneurship. This is only possible when you show to entrepreneurs that they serve the common good. Their main driver should not be profit, but to serve the community, therefore the training puts a lot of emphasis on social entrepreneurship.

In the training ways to have alternative ways of entrepreneurship are shown. Ways how the businesses can involve the community and let the community feel through this participation that they are really part of the enterprise.

There are a few alumni from Tangaza that started a social business. For example George Omego (Interview 3) from Wanangi Canvas Ltd. He teaches young people from the villages how to become a good manufacturer with canvas. Some of his students are even doing better than him now! These examples from Tangaza will be used as test cases for the training.

Emergo is the toolkit that will be used to give the training. It provides practical training with games, cases and quizzes to have a result oriented way of learning new things. For more details, for example what behaviours or attitudes have to be changed in Kenyan entrepreneurship, it is all to find on the website.

The training goes in the direction of less hierarchical businesses. Because everyone has to feel valued and equal in the company, it is important to not have one manager everybody has to listen to. Discussions and teamwork are valued highly in the training and ideally businesses where the owner is only the facilitator would arise after this training. The facilitator shares the company with the group, and with that the benefits and the risks.
Nowadays in Kenya, unemployment is very high. This makes people voiceless. If one person does not take up the annoying, underpaid jobs, somebody else will. This makes salaries below the minimum wages possible as well as other working conditions that are far below the standards. With more social entrepreneurship in the country Kenyans will be empowered.

Websites: [www.entrep.unescochair-ou.nl](http://www.entrep.unescochair-ou.nl) & [http://emergo.ou.nl/emergo/community/emergo.htm](http://emergo.ou.nl/emergo/community/emergo.htm)

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Background

Khanjan is an Indian man living and working in the US, Pennsylvania. He is the director of the HESE program.

Transcript

HESE has created social entrepreneurship projects in Kenya. The idea is that alumni can work in these projects after they graduated for 6 months. During the education the students also have the opportunity to work on the projects for three weeks. That short program was running now and therefore Khanjan is in Kenya at the moment. The projects involve the Kenyan community but are not established to hand them over to a Kenyan. Maybe in the far future, but the projects need to be running and become rooted first.

His first encounter with Kenya was to visit a friend's project, a project for small wind turbines for households and small businesses. Eight years ago he started his projects here without knowing anybody. He has established a large network in Kenya nowadays and the HESE projects are running well and even earned awards.

Working with social networks demands trust. This is something Khanjan has encountered before. The women he worked with earlier only wanted to work with others they trusted. He has some papers on this subject for me.

The challenge for entrepreneurships here, according to Khanjan, is to standardize operations in order to be able to control them very thoroughly. Because there is a great lack of discipline it is a necessity to check everything and be very strict on the rules. Punctuality and accountability can be reached when the rules are very clear and controlled. When the rules are not met it will have consequences on payment. A practical example: when the employee comes in the office he has to send an email with a report. This way you know he started in time. When he leaves, it is the same. This way it is possible to check punctuality. When the employee was not in time he does not get payment. This is an incentive that works well, because people really feel it. The first time only a slap on the wrist in the form of half-payment or something alike can serve as a warning. The same example is given on checking the internet use. The Mbs left on the modem have to be reported in the morning and evenings, which makes excessive use of the internet to check Facebook accounts or watch Youtube movies impossible.
SO you want everything controlled by the Western organization. But the manager is Kenyan and the link between the people from the project and the employees. He tells the employees what to do and checks on them. He is also briefed very well and very direct and made accountable by the same clear regulations of no payment when things do not work the way they should. The educated people are good to work with, they most of the time understand what is asked from them and are willing to work. Education is not the most important thing it is about what you do with it in practice.

Transformative education is one of the things Khanjan advocates. When there are a lot of road workers in one region, they can be easily re-educated to become home builders. This is making good use of the human resources instead of them wasting their time being unemployed. This is what he meant with education is not that important, it is important that a person can be functional in practice. Same goes for crops. When there are too much maize farmers in one area, they should as well plant different crops.

I ask Khanjan whether he does not find it depressing that everything should be controlled by an outsider before it can work. He does not see it this way. In Silicon Valley almost all businesses are also from foreigners that started there. But he does not see a possibility for a shift in Kenyan culture to have successful businesses with their attitude.

According to Khanjan ‘greed’ and ‘fear’ are the main barriers in the Kenyan culture. The people are very greedy and try to get as much as they can from anybody. Because it is allowed to try to get as much as possible, everybody has to be on guard all the time. Kenyans even want to get as much possible from their family and friends. On the other side they are so little disciplined that when a Kenyan gets 3000 KSh, he will go buy Noma Choma, buy a Tusker, buy a lady and at the end of the day all the money is gone. A lack of discipline and long term view is the ground of this.

Another way lack of long term vision is an example of is what happened at Mumias, a sugar factory. While producing the sugar the waste in the form of bagas piled up. The Kenyans did not know what to do with it and just left it lying there. At a certain moment an Indian tourist came by. Smelled the stinking bagas and asked what was going on. He immediately had a solution and removed all their waste, took it to the factory he had built and started producing compressed blocks of the bagas that could be used as fire blocks instead of charcoal. It has a much higher internal energy and charcoal is an unsustainable energy provider, which makes his product a very good solution for the Kenyan market. At first the sugar cane waste was given by Mumias for free. When they saw the fire block factory to be so successful Mumias decided to ask money for their waste product.

The Indian guy pays the employees that dry the bagas for him, before it can be compressed, per kilogram. Not in time. Time is a useless concept here, because you can do a whole lot of nothing in a long time and it gives no incentive to pay for that. When you are paid for how hard you work, it gives a stimulant to work harder. This is what they call at HESE a Conop, Concept of operations, that is closed. The employee cannot beat the system, it is simple, he produces and gets money as a reward for production quantity. This systems thinking is the key according to Khanjan.

Khanjan has another example of something inefficient in Kenya. When he wanted to do business with Kenyan Industrial Research and Development Institute for a product like water pumps, they wanted to establish a Memorandum of Understanding (MOU). He refused, it
takes a long time to do the paperwork for this and he wanted to do quick business. They were not interested in that, their interest was
the name of the university he works for in their list of official partners. It is more window dressing than actual action and doing efficient
business.

Discipline is one of the barriers for growth. And what he said before greed and fear. Teachers and parents want their children to be afraid
of them. When the children are afraid they will listen more easily and that makes teaching and parenting less tough. For the policemen
the same thing is valid, they want the people to be afraid. But when you are afraid of someone you cannot trust this person. (Fukuyama’s
book on Trust)

Institutions and regulations are fine for entrepreneurship. They could be made a little bit easier and less time consuming to arrange
things for businesses, but overall it is not bad. Some regulations like a taxi meter would stimulate the economy. Then less time is taken up
by debating over the price and taxi business could go more smoothly. In Asia there is no debating over the price, it is the same low price
always. The economy is intense. Everybody works hard for little. That’s why everything goes so quick Here people do not want to work
hard. There are two different streams now; the hard working group and the opportunists. The opportunists are for example the older
taxi drivers that only drive for a too high price the rare times that a tourist falls in their traps or somebody is really in a hurry. The
younger taxi drivers can drive much more often for the normal price and want to work more and earn a decent salary. The opportunists
rather wait until they get lucky. They sometimes have little money. Sometimes a lot. The problem is there when there are too many
opportunists like here in Kenya. Most of the taxi drivers sit, wait for jobs and spend most of their time waiting instead of making it
attractive to take a taxi.

Access to capital is a large problem in Kenya. As an Indian person Khanjan can call ten people here in Kenya and has a ton in dollars in a
day. This is because they can trust each other. Since that is impossible with Kenyans there is no way a Kenyan person can collect capital.
This is also why MFIs only provide money for growth of companies, not for start-ups. A project and the person behind it must first proof
that the project can really run and he is reliable. Otherwise the MFIs cannot take the risk, since so many start-ups fail due to a lack of
discipline.

No discipline -> No trust -> No access to capital

Equity bank has opened a market. They gave people the opportunity that do not had the money to open a bank account before to do so
now. People with little money can save very little by very little. This is serving the goal that the people do not have to save the money
they have in their hards themselves and putting it in the bank can really work for some. A business like Equity bank’s has started in India.
Here big guys with a large banking money belt with a small machine on it walk around. They are serve as a walking bank in the slums in
India. The people can put very small amounts of a few roepies in their account. They have a smartcard and can just go to the bank man.
This initiative is really helping people to save the little money they have. In India the initiative is growing better than here in Kenya.

Kenyans want to work for a Mzungu or an Indian because although they are drilled to work hard they know that the employer keeps his
promise and pays them just. With a Kenyan employer there is less trust that he pays enough and does not fill his own pockets too much.
People would rather work for a large company as Nakumatt than a smaller one, not because the job is so much fun, but you do not get a job for life in this economy and these larger ones can offer a little security for a longer time.

Manual labour used as a punishment. In Luo education children are punished in school and at home as well by making them work in the fields. This is a tendency that you see in the whole of Kenya now. People do not want to work on the land any longer, while it is very necessary for the food. The majority would rather do some kind of crappy office job than be a farmer as a job. This has to change because it is of course very important that food is produced.

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Background

Betty is the foundster of Clovers Management & Training Consultants Ltd. which was called Clovers secretarial bureau when she started her business. First she delivered only secretarial support and administrative workers. Later the business evolved to the large office she has now with 300 people working for her (this includes people she employs in other businesses) also providing companies with managers and even CEO’s.

Transcript

The Clovers company started when Betty read about the idea of Alison Keane, a lady that started a business in providing other companies of supportive personnel. She took the idea and made a business out of it herself in 1983. In 1986 the business evolved to a registered Ltd.

To register an employee has to pay 1000 KSh. All his or her certificates will be saved and checked as well as the CV. The newcomers must also undergo a capacity tests to check what the skills are. To the client only 3 to 5 potentials are send so Betty wants to make sure that her employees fit the client.

When an employee has not got sufficient computer skills they have to take the IT training the company offers. This is mostly focused on using MS Office and email skills. A practical training. Clovers offers more trainings. The most given is Customer Care. This is a training about service to clients. The training includes how to answer the telephone, how to address a client etc. Betty promises to send me an example of a customer care training that will be given next week.

The Customer Care training takes 2 days and will include a maximum of 15 persons to get enough attention for everyone taking part. It starts with a PowerPoint presentation and afterwards the participants can ask questions. There is also room for practical training in the course.

Clovers is DIT-registered. This means that they are approved by the government to provide trainings. This also indicates that Clovers pays all their taxes etc. and the government recognizes them as a good functioning company.
Betty has seen changes in the attitude of the country these last ten years. People are more focused to deliver a quality job. It has become more common to deliver service to a customer. She thinks this evolved because of qualifications at the end of the year. Every function is evaluated at the end of the year by his or her boss. This also goes for the ministries of the government which is why they are as well trying to deliver a quality job more and more.

Service is an important thing to change in the attitude of people since the first impression of the company for a client is the way they are treated the first time they visit. This can be on the phone or the receptionist at the entrance of the office.

Tribal issues are also still a barrier in the country. People still feel different from one another when they are from different tribes. Sometimes whole ministries consist of only one tribe or people from one region, which is a bad thing because it is much better to mix according to Betty.

This is also in the Customer Care training, that speaking in tribal language can be offensive to a customer from another tribe. It is better not to emphasize a tribe in business. Kenyans are a unity now. It is only allowed to address an old person that does not speak Kiswahili or English in his own language to help him explain what he means. So when it is to serve a client.

Traffic and the disease of greed are the largest barriers for doing business in Kenya according to her. When you have an appointment in Westlands in the morning you know your whole morning is gone. Because of the traffic it takes you hours to get back in the office. The disease of greed is getting less and less according to her because things are judicially improving. So the law is adjusted which makes that people have to behave better and follow the right paths. I ask her if she means that there is less corruption, and she confirms. It is more out in the open now and it is legally not allowed to bribe any longer.

We discuss why there are so many successful women nowadays, which is also a development from recent years. She thinks it is because of the woman having a maternal responsibility feeling that gives them a large drive to establish things. The men are lazy and drinking beer, but the women more and more take over and stimulate the economy by starting up businesses together and really try to make things work in sake for their families.

Herself thinks that she employs around 50-50 men and women, but then comes back on this and tells that she has more men, about 60 per cent are men. It is not really the reason why, but it is a fact that women are more expensive employees because they have to go on maternal leave for 4 months whenever they are pregnant and that is costly.

Betty really hopes that the elections will be peaceful next year. This would be good for the economy, because the country would be proven to be stable.
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**Universalistic – Particularism**

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Interview 31 – Christabel

Interviewee Christabel
Business ICE Training & Consultancy
Function Marketing Manager
Date June 20\textsuperscript{th}, 2012
Location Nairobi, Downtown, Queensway House
Contacts 07 31978714

Background

Christabel is the marketing manager of the company. She started 2 years ago at ICE and knows what goes on in the company because she has to know every aspect to perform her job the right way.

Transcript

ICE Training & Consultancy consists of a group of 10 employees. There is the General Manager. Under him are the IT manager and the Marketing manager. Under the Marketing manager are the customer services and the lecturers. Under the IT manager is the operations manager. That is the company structure.

ICE offers four trainings:

- IT training – the training offers computer maintenance, webhosting and other computer related skills. This training is a combination with a consultancy on the website.
- Business continuity – how to develop a business into maturity.
- Marketing consultancy – this training is on how to sell a product. For this training ICE first gets to know the products a company offers before training them.
- Teambuilding – for organizations that want to improve cooperation of its employees.

Training is different for the needs of the group and the importance of different aspects. The groups are a minimum of 30 and the largest they ever had was a group of 90. Most of the time there is a PowerPoint presentation followed by case studies in groups. This way different groups of people think about the same problem and come with different solutions that they can present to each other. Through the practical aspect people get really involved.

The program for the teambuilding training is focused on people to speak up. Discussions on current issues are held to get people involved. An example of an issue is health, sometime employees do not dare to tell they are HIV infected, this is discussed. Another tool in the teambuilding training is role play. The trainees get different scenarios and are assigned different roles. For example when
somebody is very introvert, he or she will be assigned with the role of the CEO and is challenged to speak up. It is a tool to get people closer together and understand the others more.

Christabel thinks that the largest barrier in Kenya for entrepreneurship is that the people are scared to take risks. They may have good product ideas but lack the courage to really go for it and therefore lose the opportunity that they had.

Attitudes and behaviour that really needs to be changed with trainings are according to Christabel when employees are scared of people. This can be solved with training to make the employees more secure when they interact with others.

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Interview 32 – George Ogutu

Interviewee  George
Business  Canvas
Function  Marketing manager
Date  June 21th, 2012
Location  Nairobi, Ngong road
Contacts  -

Background

In my search to a spin-off of George’s canvas company I run into the marketer of his products that tells me he also once left the company to start his own.

Transcript

There are some problems in this company. At the moment there is no capital. This is hard because there are mostly LPOs (local purchase order) and they do not give out deposits. This way the company is not able to operate. Small companies sometimes do give deposits.

The second problem is related, the Fundi’s (tailors) move out of the company. They like to be in companies with a large cash flow and when that disappeared they all left. Now they have some tailors on call and none on contract.

The competition is killing because the company has split so many times there are many others around that offer the same products. There is no control in this business. When I ask what kind of control he would like to see then, he answers that it is not possible to control the market, but it will solve itself. The companies that can keep themselves floating now will last. Especially in dry season there is less business in Kenya and companies really need to survive. When you survive this you will probably make another year.

Because there are so many canvas tent manufacturers there is a real price war going on. When you are able to get quality canvas for a good price from your supplier you have won an important step in the process, because you are now able to sell your product for a lower price and make the same profit. Wananchi canvas has a profit margin that they want to keep, 30% profit is the least they want to do, they will not move to 25%. This is because they want the customer to believe in their quality and also deliver quality to the customer.

Customers are really flexible and go with the best suitable company for them. The competition is mainly focused on who can get the best prices, the best quality and the quickest delivery time.

George himself started in Wananchi in 2004. After two years working for the company he quitted his job and started on his own. He wanted to try if he could make it with his briefcase company. He had some clients and things were all right but he lacked capital, so he could only take up clients that did want to make him a deposit. This killed him he says, you really need capital to stay afloat.
On the question why he wanted to have his own company he first does not respond very well. He just wanted to try. When I ask it again he tells me that he has read some books; ‘Millionair next door’, ‘Rich dad, poor dad’, Financial quadrant’ of Ben Kiosaki a Japanese American. He writes that you should think out of the box to become financially independent. Don’t work for money, but be the system owner. That inspired him to become an entrepreneur himself. He wanted to be financially independent. Financially independent mean for him that he can pay for his basic needs, as food and school fees etc, and still have some money left to save. This is what he calls ‘your exponential income’, it grows in time. He did not mind taking the risk of starting his own company, a man needs to take risk otherwise he is victim of society.

When you have your own company all the effort that you put in it is beneficial for you. When you work for 20 years for another company, you establish this network that is beneficial for the company, not for you when you are out. All your time investment is for the company. Larger companies give royalties when you work for them a longer time. This company is not able to do so. Wananchi does not invest in the employees and the company lacks a focus. George thinks those are the two things that the manager, the other George, needs to be trained in. The employees are not really motivated now, they are not a team. And there is no real vision for the company that is in reach, the only goal is to go abroad to Uganda, Sudan and Tanzania, but there is no capital whatsoever to reach this goal.
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Interview 33 – Tito Arunga

Interviewee Tito Arunga
Business SNV
Function Project Count Coordinator, Procurement Governance in HGSF
Date June 22th, 2012
Location Nairobi, Ngong Lane
Contacts tarunga@snvworld.org, 0733608102

Background

Tito is an employee at SNV that works for the organization for 9 years. He is in development of businesses for 16 years before he was in commercial craft export business. He has good knowledge of the businesses development in Kenya especially in agriculture (beekeeping, dairy) & tourism and he knows about the way things have evolved in business for the last years. He also trains on marketing and helps with business plans etc. He joined SNV when they were setting up the private sector development program.

Transcript

Tito is a business development guy. There was market improvement & expansion in tourism according to him by training of the people selling crafts, so they would not all run to the customer at the same time, and help them to establish attractive accommodations for the tourists. This has been taken up properly and large travel agencies have put these new destinations on their websites.

The statistics are now that 80% of the businesses are never evaluating to medium size. Most of them close down before. He sees difficulties of two levels for entrepreneurship growth in Kenya:

- Macro-economic difficulties
- Difficulties in the skills of people.

On macro level scale is the financial part. The macro-economic factors never established an enabling environment to make it attractive to do business. Things are changing now. It used to be very hard to get money when you had no assets that could be used as a collateral to get some credit. Also because government aimed at developing small enterprises, they did some investments into certain banks in Kenya to make it more light for people to get money.

There also was this barrier that you had to have so many licences to do your business. It depended on the business you owned which licences you had to have, but it was necessary to renew these every year. That is costly and killed many start-ups in their first years when they do not make any profit, because there was no arrangement for them. It was not fair for the small businesses. Later the government arranged one-stop shop to get the licences, but now they abandoned most of them. Start-ups still do not have some kind of tax holiday when they are just starting up.
It all got better after President Moi’s regime. At the end of 2003 it slowly began to change, but the thing that has not changed much is the component of corruption. For example the people from the north that have to go through all these police points. They have to give them money with every stop and maybe they encounter 20. At the time they are in Nairobi they cannot be competitive anymore.

The corruption with policemen must change for the sake of the East African Union. In Rwanda there is no bribing policemen which makes them very resistant to cooperate with countries as Kenya and Tanzania where bribing is common. A solution is to reduce the check points, when there are only two points people can say it happened there and it can be watched more.

It is hard to stop the corruption in the whole government, but the only thing that can stop it is more citizen participation. This is the good thing of the new constitution. In the countries budget there will be more participation of citizens, NGO’s and other representative organs, this is because of the smaller counties. People never knew about the decisions that were made by the government, because many of the people were so far from the government. They would even ask you ‘How is Kenya?”, they did not feel like a Kenyan it was all to remote for them. This will change with smaller voting districts.

The factors concerning the skills are among others a result of a shift in the institutions. Now universities are expanding and take over the middle level institutions with their satellites. This means that when a person drops out of secondary school before graduation he cannot take practical education at one of these middle level institutions any longer and is left with an unfinished education. Unless you made it to university your skills could not develop any more. Many people dropped out and went into business. Government is recognizing this and tries to reinvest in these colleges. The process of getting it back will take many years, so it is a loss of this generation.

In the dairy sector there were so many farmers of two or three cows. Who in the morning bring their milk to the collector and he brings is to the factory. The costs are too high, you need scale to benefit. Thus many people do not know how to make their business efficient and they cannot grow. These farmers are beginning to cooperate in cooperatives, but what will probably happen, like in the Netherlands, is that people leave their farms and the farming will be done by fewer large ones. The trend at this moment is that people do not want to be a farmer, but also do not want to let go of their land because of the cultural attachment to land. This is a challenge.

Titledeed is when a land has a document with which you can show to the bank that it is your property. A lot of the land is not yet titledeed, so it has no paper

Some communities in Kenya for example the Ismaeli can stimulate each other because they have lot of trust in their community. They are not really Kenyan, but a minority group that is living here. Hopefully Kenyans are also able to do this. The Ismaeli are very good business people because of that. You cannot be ignorant about trust in business, it is important. The Ismaeli’s also take up social responsibility in their businesses, which makes them differ from the Indians.

Kenya is a young nation that only gained independence in 1963, when that happened there was a scramble for wealth. Having power meant having wealth. The government was the biggest resource of money. There were a lot of factors that caused distrust. Some people were looking for freedom for the Kenyan people, but there were others that were looking for an opportunity to get rich. There was a
constitution at that time that was supposed to support the Kenyan government. It has been changed for more than 200 times before they started on a new one, it had become a terrible document. Now the new one will be one of quality, fairness and merit justice. This is a transition phase to come to this good document. There are always forces that try to hold things back, but Tito thinks tht the forces forward are much stronger. This document can create an incentive to gain respect with the Kenyan people for their constitution and for the people. It could be a foundation for respect and rebuilding trust. Than Kenya will be able to do better business. Tito is hopeful, because Kenya is a country with a lot of dynamic people. There are so many Kenyans that are working for other countries because of their capacity to deliver. The capacity is there, they just need the system to give the people the space to do it.

The previous regime (Moi’s) took Kenya down, people were nobody. It was like Nigeria is now, when you do not have connections in the government you could never make it. It is good that things are discussed now, people might think that corruption is getting worse, but when it is not exposed it does not mean that it is not there. In Tanzania for example you would never hear of any corruption, but it is much worse there.

I ask Tito about the discussion that we had in Holland about giving developmental aid in the form of money or starting businesses in developmental countries. He tells me that when you give money to a country with bad governance, giving money is sinking money. There will be no return on investments, all gets wasted. When you see a country has an improving governance you can give. Rwanda is one of those countries for example. But when there is bad governance you also do not want to start business in a country. You can better ignore them and let them suffer. The government will have to change, before economic growth can be established. From 1992 – 2002 Kenya did not receive any funding at all. This is why president Moi had to go. There were elections at that time and the Kenyan people forced him. First the constitution was changed to have a president not able to be president longer than for 10 years. When he tried to appoint a successor the people refused the successor. People came out to make sure that there was no stealing of votes and elections were very fair.

When I ask him whether the next elections will be peaceful. He hesitates, he says that there was a moment he really thought elections were going to be peaceful, but it seems that there are some people that are very determined to grab the power and that agitates the people. But when it happens that there are peaceful elections he thinks that Kenya is on the runway for take-off.

There are also a lot of positive things, for example the attitude, the entrepreneurial drive of people can really establish an enabling environment. But this can only reach maximum potential when the new constitution reaches full realization. A lot of that will depend on the coming elections. Without governance the problems that we talked about will not be solved.

When the British left they made investments, especially social investments. Kenya was very lucky with the British, when you look for example at Mozambique the Portuguese only used the land and the people and left them again. There also was a transition plan, the British were not ready to give up Kenya, but the US as the superpower pushed them to do it and there were also movements from the Kenyans. The US also funded Kenya a lot, there were a lot of scholarships from America. The British also put in money in the central bank so the banks could give out loans to Kenyans, in order to have them buy the land back from the British people. There was a program, but the biggest disadvantage was that the people that came into power decided to use those things to benefit from it for their own good. It
was supposed to be fair, but because the government misused this, it turned out to become a problem. It left others so dissatisfied. US and UK tried to help, but actually did not control their help which created a polarised situation between rich and poor.

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### Interview 34 – Caxton Munyoki

**Interviewee:** Caxton Munyoki  
**Business:** Sunrays Solar  
**Function:** Chairman  
**Date:** June 22nd, 2012  
**Location:** Adams Arcade, Nairobi, Kenya  
**Contacts:** +254 0722207874/ +254 020 2405945  
   mwangangicaxton@yahoo.com

### Background

Caxton Munyoki is the chairman of Sunrays Solar and also a lecturer at Nairobi University. He has many years of experience in business. So next to a director providing information about his company, he is also an expert in the field of business. This interview is held with the goal to reflect together on the findings I did so far.

### Transcript

Trust issues: the level of competition is high in this industry. That makes the market very price sensitive. Price wars are going on everywhere and almost every market is saturated, it is often not about quality. It shows that the market is not matured. It is not about differentiation, innovation, quality, and added value of service, but only on price.

Also trust within businesses can be improved. Enterprises do not put focus to satisfy their employees or take care of the equality of their employees when necessary. Employees can be stimulated by training, paying for their health insurances, give them travel allowances, etc. It is also important to maintain equality, give the employees equal opportunity. So when one group has gone to Mombasa for work, another group can go next time. Everybody gets his/her turn. When a company appreciates its employees this way, the employees are more happy to work for it and the chance that they will start their own businesses will be less big.

Mixing is key for equality. Mixing of tribes, gender, age and whatever is necessary to create more equality. It is also easy to have the more experienced with the less experienced so the latter can learn from the experienced guy.

Is money the only motivation? No, there are other ways to satisfy employees, more intangible ways. It is when a person associates with the company because it is treated nicely in the company, by showing appreciation, the gift of travel allowances, medical cover, by offering trainings or have a clear path of promotion. **Succession and planning.**

With a starting company it is hard to give this to your employees which is why some of the good ones left Caxton’s company before he was making profit and was able to give them what they deserved in their eyes. They were too impatient to give him time to succeed. Secondly, they were not sure whether he was able to do what he was promising. Some of these former employees asked if they could
come back. He took only the good ones back into his company and is very open about what happened to everybody, so they set an example for the rest of the employees. They are very loyal now.

Caxton is a trainer himself, he is a lecturer in university and provides training for his company on motivation, vision and mission. He motivates his people, every Monday morning they have a meeting together and every quarter of a year the whole staff retreats. They discuss what went good, what went wrong and how things can be done better and set new targets for the next quarter and anticipate on expected problems. During this retreat shareholders and employees come together and can discuss in informal way what goes on in the company. Problems are solved and everybody gets involved. This weekend is very stimulating for teambuilding. He also puts people together that seem not to like each other. He gives the example of tribal issues and says that he does not entertain the politics in his company. For him these issues of politics, tribes, regions and gender do not belong in a company, they give friction and it does not stimulate business. It is even a cause for many businesses to underperform, these interpersonal relations.

There is an in-house training for all employees and Caxton also sponsors the different disciplines of the company to specialized trainings outside the company. These trainings are brought together by the training he holds in-house for all employees, since all are involved and are able to tell the others what they have learnt. One of the big goals of the in-house training is to let every single employee understand the strategy of the company and also get them all involved and in the same direction. Marketing, Personnel, Technical, Customer care, is al in the training.

Human have a natural resistance to change, they are suspicious and do not like going to the unknown. That is why it is important to tell them about you intentions beforehand so they will understand what they are doing and why they are doing it. An example to illustrate this is when you give people computer lessons, they can also be suspicious and think that you are providing this training to replace them by computers. Than they will deliberately act stupid to sabotage the training. It is the challenge of the manager to explain that the change is for their good. The change must be communicated to the people you want to establish the change with.

A starting point for training is literacy. The level of literacy is very low in the country. The current president started free primary education. This will help a lot against the low level of literacy. When people can read and write they can start in Caxton’s training.

- Use of modern technology – google, the web
- Specialized training for each person in their area of specialization. Proper training is necessary to get trust in both ways. The employees must trust the company, but Caxton must also have confidence in his employees. Because they are working with electricity the installation can be very risky. When it is done wrong a house can even burn down which would be Caxton’s responsibility in the end. This trust results from proper training. He does not want to spoil the name of his company by a bad technician.

In Caxton’s company the sales team is a little bit of a problem, they do not provide service he would want. They do not act as a team but act selfish instead. The salesmen are only focused on reaching their target. There is no teamwork while the company would benefit from
this. There is also the largest employee turnover, but this is normal for most businesses, because the sales people are always out in the field and therefore also the ones that get the most other job offers.

The sales people are provided with training of the 7 step course of salesmanship:

1. A sales person must be properly groomed and must wear a smile always
2. A sales person must greet the customer, so the customer feels connected
3. You must get the customers eyes to yours, to get to know who your customer is, you get the trust of that person
4. Listen to your customer
5. Emphasize with the customer, feel like you are the customer
6. Get the customer to understand the product, because the customer does not always know what he wants. Walk him through the product and let him ask questions. Do not finalize. You can even make better sales from there.
7. After sales, service. Even when the customer is not complaining. They might even refer to a new customer.

For all trainings there is a follow-up in the shape of a refreshment training. Here everybody gets an assessment on how much he or she has learnt from previous training. It is as well a group thing because people listen and learn from each other and new targets are given. For sales persons the target is in dollars, for technicians the target is get as little complains as possible.

Feedback is brought back by follow up from sales people or technicians. Questionnaires are a bit expensive and time consuming which is why Caxton rather not does those.

Everybody would have started a company if there was no problem of capital. It takes 3 years before you break even, and when you are not patient you might give up.

Time is not useless. Hourly pay is not motivational. No company will pay high salaries for hourly pay. It will be like a standard salary. Whether the employees work hard or not, they get the same. That is why he has put targets & commission in his company. He pays per turnover, when an employee has reached a certain target the corresponding commission is paid.

The shift between women and men roles is evolving. The country was drifting to man chauvinism. Women were discouraged by competition of the men to do men’s jobs. And attitude and culture, it were men that were supposed to do that. It is a result of the exposure of woman to education abroad. They are really empowered by that. Woman activism, education and training made the change. There is a role model for woman in every layer of the people.

Caxton thinks it is a good evolution. Caxton has two daughters and two sons. He does not discriminate in his house. He wants the same opportunities for his children. Gender equality is important to him.

Mixing is good for the equality feeling.
Equality can be reached by education and exposure. Nanza Barazza is a lady that was a deputy chief justice. She refused to be checked in a shopping mall, she molested the guard. The democratic space of Kenya is so large, irrespective of you position, the whole country never accepted this. Barazza felt she was above the law, but the guard set in his right.

Discrimination should never be on gender, color, tribe, or position in the government. Everybody is equal. For the law everybody is equal.

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Interview 35 – David Ndegwah

Interviewee: David Ndegwah
Business: Tangaza College
Function: part time lecturer
Date: June 24th, 2012
Location: Ole Kasasi, Nairobi

Background

Ndegwah is a lecturer in religion, philosophy, and development at different universities. He has done his PhD in the Netherlands and has a controversial attitude towards the Kenyan society for a Kenyan. He is critical and honest and really willing to establish change from his beliefs. Because he is familiar with the Dutch culture he can understand our viewpoint on Kenyan culture and is therefore able to explain aspects that are not so easily to grasp with our Western view.

Transcript

In 2007 there was a lot of chaos. This affected the country a lot economically. In 2002 when the current president took his spot the economy was -3 in GDI, in 2007 economy was at +7, which are 10 points a very good score. Now the government formed a commission of national cohesion and integration to prevent the chaos. The commission is organizing workshops on the 4th of July. It is a voter education process, to tell the people that they are not to be misused by the politicians. The lesson will be how to use your vote, not by throwing stones or burning other people’s houses. When you feel unheard or do not trust that the elections went fair, you have an option, you can go to court.

This commission carried out a research to tribalism. The findings were that tribalism is still everywhere. When the chief executive officer of a certain institution comes from tribe A, that tribe carries the larger share in that institution. When the CEO is from tribe B, tribe B carries the larger share. The government is trying to reshuffle all the officers in all the institutions. They are really trying to solve the problem of tribalism.

The church were also trying to educate the people, but the government was against the church taking up this role because they thought the church was inciting the people. Now the government has taken the lead. They come with speakers and the people can ask questions. The government asks for volunteers out of the people to educate the others. Trainers of trainers are necessary. This is to empower a small group, which is to empower a larger group, and so on. These trainers will not be paid, so they will have to be convinced from the good of the job from within. ‘It is about your life, it is about your country’ is the message. When you put money, people will come for the money.
What is here is more than greed. Greed is about wanting more and more, here people want more and more at any cost. People are even willing to harm each other to enrich himself. Because everybody is trying to get too much from everybody, it is hard to do business. It is especially hard to grow, since people are not willing to risk. Kenyans are peddlers, not wealth creators. Only making money by buying and selling and not making a new product. Wealth creation is not easy, you cannot do it alone, you always need somebody else, because people have different expertise. People need to join hands. But because of mistrust people do not cooperate. That is how we become wealth peddlers.

This can only change by a change of attitude. How do you change an attitude? By changing myself, it always starts with myself. I am trusting people now, and I know that people take advantage of that. It is a lesser evil than also doing the bad thing of not trusting others. Because when you trust 10 people, seven of them are likely to abuse the trust. But three are likely to say, mm this person trusted me, there must be something. Then you convert maybe three people. These three can convert other nine. But when we will expect that others will do it, in the end nobody does it. I do not have another way to do it. Saying it is not enough, actions speak louder than words. And sometimes they even speak without words.

I ask Ndegwah his opinion about what Tito Arunga, SNV, told me about the constitution being possible a solution. He says maybe the constitution will help, maybe not. The problem was never the constitution. I know the constitution we had, has been diluted and changed multiple times by successive powers. But by itself it was a good document. If we could have implemented one third of what that constitution says, then we would have been much better off. The new constitution is a much better document than what we had, but it is not enough. The government and the people both have their share in implementation of the constitution. But you also have to ask yourself, who is the government? Indeed, the people. But people do not feel it that way, because they are ignorant. It comes back to education, it is a lack of knowledge. When the government realises how ignorant the people are, they can take advantage of the situation. They benefit themselves. So education is at the end of the day the way to go, people need to know their rights. Then they will put the leaders to the task and they will demand accountability from them. So the first step is to educate the people, to let them know their rights, but rights come with obligations. That is what voter education is about, it is about telling people how important they are.

Does this have something with self-esteem of people? It is an aspect, but to Ndegwah that is a very small aspect. It is a legacy from the colonialism, that people think that they are useless.

People’s consciousness is something different. This is not self-esteem, but is about awareness. This needs to be addressed. This again comes down to education. It is about professional ethics, ethics of conduct. This is really not necessarily for religion, religion tells the people what to do in order not to go to hell etc. But the government should come in and tell people what to do for the sake of goodness. Whether that can lead to heaven or not, that is irrelevant. It should be the understanding of patriotism, the understanding of responsibility. It is good that somebody has seen it and something has started up. Hopefully the commission can create a real national movement.

Hierarchy problem: The British came and introduces hierarchy and protocol, but these things did not met the values of the people. There was also a form of hierarchy in tribes, but this is a complete different form. In tribes the hierarchy was bottom-up. The governmental
hierarchy is a top-down one, not all the posts are elective, and when a person has a post, he becomes the boss. With the new constitution, this will change. Previously, only the president could be chosen. He appointed the rest in a downward structure.

In the tribes it was hereditary who became chief or it was congregational, one of the group of elders with natural leader skills or earned the post by good ideas. The chiefs listened to everybody, then after listening to everybody the chief spoke. He listened and took the best option. It was hierarchical in function, but bottom up from approach.

The British structure took away the power from the people, because all leaders were not accountable to the people any more, but instead to the organ that was above them in hierarchy.

The new constitution will have new functions. For example the county governors will be elected in the future.

Men/women roles, women empowerment. It is happening, but it does not go fast, because:

1. Mistrust by men for women empowerment. It needs to be consciously pushed, otherwise nothing changes, because it can also stay the old ways and the old order can continue.
2. Women were suppressed for so long, that they are also internally programmed. They know that they cannot make it on their own. Even in this times, they can come out, but sometimes do not believe it themselves.
3. In this constitution it says that for all functions in an institution you need 30% of women. This is theoretically good, in practice it does not work, because not enough woman are applying for certain functions. This rule is changed again, because it is not working in practice.

Employing a woman also means that when she gets pregnant, you lose her for 4 months because she has to go on maternity leave. This works against women employment.

Largest difference between town and village is the speed of change. In the town things evolve really fast, in the village things evolve very slowly.

Gay marriage is brought to parliament to discuss. But MP’s refused to talk about it. The subject is really in discussable in Kenya. Some people even say Obama was not a Kenyan after all. This is also typical Kenyan: We agree, we are friends. We don’t agree, forget it.

May 2012 - Solution for corruption: Shared leadership, like in Switzerland. Team of 3 to 4 rotating leaders, all being the team captain every other year. One cannot enrich himself in this structure, because the next year the follow up will discover all mistakes made.
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<td>Internalism – This is to empower a small group, which is to empower a larger group, and so on; How do you change an attitude? By changing myself</td>
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Appendix C. Folder of a Training & Management Consultant

“There are no traffic jams along the extra mile – we always go an extra mile”

TECHNICAL QUALIFICATION PROPOSAL
Clovers Management and Training Consultants
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TEL: 254 20 2244559/ 2224050
CELL: 254 0720297023
FAX: 254 20 2244559

www.cloversmtc.comoffice@cloversmtc.com
Introduction

**Clovers Management and Training Consultants Limited** is based in Kenya, fully owned and managed by indigenous Kenyans. Our company has been in active operations since 1978. As a Human Resource consultancy firm majoring mainly in Recruitment, Training & Development and HR consultancy, our goal is to enhance your business and make your life easier. We provide you with professional range of services for the entire employment and business cycle on permanent, temporary and contract recruitment basis; employee assessment & selection, training, outsourcing and consulting of the best quality.

**Clovers Management & Training Consultants Ltd** is registered with government of Kenya under company act cap 486 and approved by the Directorate of Industrial Training DIT/TRN/753, Ministry of Labour, renewed in 2011.

**Location**

We are located within the central business district of Nairobi along Kimathi Street near the Sarova Stanley Hotel on the 3rd floor floor of IPS Building, Executive wing.

**Contacts:**

Telephone: +254 (020) 2225525, 2218797, 2224050, 2225490  
Fax: +254 (020) 2244559  
Mobile: Betty Malonza 0722 766454  
Fiona Kanini 0722 489728  
Office 0720 297023  
Email: office@cloversmtc.com
**Clovers Strength**

- Capabilities in understanding client needs and how they serve organizational strategy
- Customizing management solutions to the client's unique culture
- Flexibility and responsiveness in working with the clients
- Offers performance-based training to ensure skill development and attitude change
- Constituted by experienced, skilled and knowledgeable partners, consultants, and facilitators
- Registered member of the Directorate of industrial training.

**SCOPE OF TRAINING**

Etiquette is in essence about proper conduct and presenting yourself meticulously. Demonstrating excellence in telephone etiquette is a prerequisite in today's competitive business world. The telephone is the link to the outside world, it's your business's shop window. The voice customers hear is the voice of your company.

Communicating over the phone is an integral component of conducting business. Therefore presenting a professional image both in person and on the telephone is critical. Practicing good business phone etiquette helps encourage clear lines of communication, build rapport and avoid misunderstandings.

This courseware is one of the most sought after modules for using the telephone as a power tool.

The Clover's telephone etiquette/customer service skills course will cover all the important areas that have to be learnt for effective telephone etiquette which includes:

- Basic rules of official telephone communication;
- Answering the telephone,
- Trouble shooting and ending the call
- Basic skills needed to make a good impression on the telephone
- How to use correct tone
- How to listen and use questions to probe for more information
- How to empathize and be sincere with the customer
- Telephone Skills
- Professionalism
• Credibility

**BENEFITS**

- Call qualities improve, thereby enhancing customer satisfaction.
- Participants gain more confidence, and are able to handle customers of various types.
- The organization earns a good reputation of being sensitive to customer needs and requirements.

**Below are some of the important components of the Telephone Etiquette training material:**

- The nuts and bolts of a company image
- Understanding 21st century customer service mindset
- Ways to make a good first impression
- Using the right tone of voice
- Pillars for good telephone etiquette

**Spoken Communication**

- Improving the effectiveness of communication
- Structure of communication
- Questioning techniques

**Listening Skills**

- Passive
- Active
- Reflective

**Non-Verbal communication**

- Using non-verbal encouragement over the telephone
- Tips on body language over the telephone
Embassy of the States of America seeks experienced, skilled and knowledgeable trainers to build capacity for their staff members in handling the company’s customer relationship by having good knowledge of telephone operation and customer service skills.

Clovers offer to provide Telephone Etiquette skills training for the member because it has a capacity defined by qualified, knowledgeable, experienced and vibrant training facilitators.

Clovers as a consulting and management training institution is made of a strong team of trainees with diverse training background, experiences, skills and knowledge in telephone etiquette skills.

**METHODOLOGY**

**Stage 1: Project Meeting:**

We will meet the management team to review and agree on any logistics issues and the terms on the project.

**Stage 2: Develop Training materials:**

We will customize our training materials to suit your needs.

**Stage 3: TRAINING**

Clovers provide unique, motivational and engaging training for maximum positive impact and learning. Clovers training programs provide:

- Increased job satisfaction and morale among employees
- Increased employee motivation
- Increased efficiencies in processes, resulting in financial gain
- Increased capacity to adopt new technologies and methods
- Increased innovation in strategies and products
- Reduced employee turnover
- Enhanced company image, e.g., conducting ethics training
- Risk management. The nuts and bolts of a company image
• Understanding 21st century customer service mindset
• Ways to make a good first impression
• Using the right tone of voice
• Pillars for good telephone etiquette

This will be achieved through interactive training such as group and individual role plays, self evaluation and other exercises, case studies, practical examples and clear guidelines given to help participants acquire necessary skills, attitude and knowledge to achieve results through the effective both internal and external customer Service at workplace.

We also perform training needs assessment to organizations. Our training programs can be internalized and tailored to suit a particular organization need. We have a team of competent, experienced and vibrant facilitators.

Course objective

- Projecting and enhancing your company's corporate image
- Exceeding customer expectations
- Developing strategies for handling difficult customers
- Becoming an effective and proficient office administrator
- Understanding 21st century customer service mindset
- Ways to make a good first impression
- Using the right tone of voice
- Pillars for good telephone etiquette

TRAINING SCHEDULE

TIMETABLE

Preferable dates in:

Evaluation Report; Clover Management and Training Consultants Ltd will observe and interview the participants on job and come up with a report showing how the training went.
OUR TRAINING FACILITATORS

We consist of skilled specialists who cumulatively have many years of experience in Human resource field and training. We provide world class training facilitators.

Clovers pride itself with the most vibrant, innovative and engaging training programs that instantly changes the participant's attitude, automatically exceeding customers' expectation. Below is a list of a few trainers among others;

1. **Annabel Karanja**

   Annabell is an experience facilitator. She has facilitated for a wide variety of clients, including the corporate world and government departments. She enjoys motivating delegates to achieve their potential. She has 12 years of experience as a consulting and training. She is our Director and Senior Management Consultant.


2. **Ruth Ogier**

   A Kenyan citizen, Stephen's main objective is to fulfill the objectives of any organization, adding value to it and improving the quality of its products, processes and services through strategic planning, continuous improvement and careful application of the necessary skills, following ethical practices for the benefit of the organization and its stakeholders. She has 20 years of experience in training. She’s our Senior Management.

   Ruth is a qualified trainer who holds MA Applied Anthropology and Community & Youth Work, MA African Area Studies and BA African History. Masters in development.

3. **Antony Muyeka**
Antony is a self motivated individual with hands on experience in key Business field, and understanding of emerging technologies. Antony works as a Business Analyst related skills trainer. Antony holds a Bachelors of commerce (Management option).

Clovers will achieve the training objective through the following activities:
   1. Developing training curriculum on training need
   2. Conduct training fully.
   3. Develop training evaluation tools and administer evaluation
   4. After training and on job evaluation if allowed.
   5. Provide a training report/ evaluation recommendation to the management

APPENDIX: Facilitators Curriculum Vitae and Company’s profile

Yours Sincerely,
CLOVERS MANAGEMENT AND TRAINING CONSULTANTS

BETTY MALONZA
MANAGING DIRECTOR

20TH JUNE 2012