ENTREPRENEURIAL ORIENTATION ON PERFORMANCE OF AGRICULTURAL CO-OPERATIVES IN UASIN GISHU COUNTY, KENYA

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Entrepreneurial Orientation on Performance of Agricultural Co-Operatives in Uasin Gishu County, Kenya

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DECLARATION

This thesis is my original work and has not been presented for a degree in any other university.

Signature……. Date……..

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This thesis has been submitted for examination with our approval as University Supervisors.

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DEDICATION

This thesis is dedicated to my husband Arthur, my children Emmanuel, Moses and Cynthia and to my dear mother Jane. Their prayers kept me going.

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LIST OF ABBREVIATIONS

EAC	East Africa Community
EBIT	Earnings Before Interest and Taxes
EO	Entrepreneurial Orientation
GDP	Gross Domestic Product
ICA	International Cooperative Alliance
ILO	International Labour Organization
KCC	Kenya Cooperative Creameries
MSME	Medium Small and Micro Enterprises
ROA	Return On Assets
ROE	Return On Equity
SME	Small Micro Enterprises
SPSS	Statistical Package for Social Sciences.
SWOT	Strength Weakness and Opportunities and Threats
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
UNIDA	United Nations International Development Agency

DEFINITION OF TERMS

Competitive Aggressiveness: A firm's propensity to directly and intensely challenge its competitors to achieve entry or improve position to outperform industry rivals in a marketplace, and characterized by responsiveness in terms of confrontation or reactive action ((Lumplkin & Dess, 2011).

Co-operative: An autonomous association of persons united voluntarily to metheir common economic, social cultural needs and aspirations through a jointly owned and democratically-controlled enterprise (ICA, 2018).

Corporate entrepreneurship: A process used to develop new business, products, services or processes inside of an existing organization to create value and generate new revenue and growth through entrepreneurial thought and action (Mokaya, 2012).

Entrepreneurial Orientation: A firm-level strategic orientation which captures an organization's strategy-making practices, managerial philosophies, and firm that is entrepreneurial in nature (Kuratko, 2008).

Innovation: A change in customs, something new and contrary to established customs, manners, or rites or "a new way of doing something, which may be incremental, radical, and revolutionary changes in thinking, products, processes or organizations. (Drucker,2012)

Innovativeness: An enterprises' ability to engage in new ideas and creative processes that may result in new products and services, markets or technological processes that could result in enterprise performance (Rauch et al., 2009)

Proactive disposition: Ability to act earlier than others in capturing new markets or introducing new products or tapping new resources which is vital ingredient of entrepreneurship in which an entrepreneur seeks new opportunities which may not be related to the present line of operations (Olson et al., 2005).

Risk taking: willingness to pursue opportunities that have a reasonable likelihood of producing losses or significant performance discrepancies (Rauch et al., 2009)

Firm resources: Are inputs into the production process. They are the basic unit of analysis (capital equipment, skills of employees, patents, brand…) (Grant, 1991).

Strategy; A a plan, a concept, a course of action, or a vision of the direction in which to proceed at the personal, organizational and state or federal levels (Harry, 2006).

Agricultural

co-operatives; Where farmers pool their resources in certain areas of activity for the benefit of members (UGCSP, 2016).

Corporate

Entrepreneurship; It is a term used to describe entrepreneurial behaviour inside established mid-sized and large organisations (Kuratko, D. F., 2007)

Performance; It is a corporate management tool that helps managers monitor and evaluate employees' work to ascertain if the objectives have been attained or not (Certo,

ABSTRACT

The purpose of the study was to analyze the influence of Entrepreneurial Orientation on performance of agricultural co-operatives in Uasin Gishu County. This is due to high level of dormancy among agricultural co-opratives within the county. The study was guided by the following specific objective; to establish the influence of innovativeness on performance of agricultural co-operative societies in Uasin Gishu County, to determine the influence of risk taking on performance of agricultural co-operative societies in Uasin Gishu County, to evaluate the influence of proactiveness on performance of agricultural co-operative societies in Uasin Gishu County, and to examine the influence of competitiveness on performance of agricultural co-operative societies in Uasin Gishu County. The study was also guided by the following theories: Innovation, Resource Based Competitive Advantage, and Situational Leadership theories in discussing the Entrepreneurial Orientation. This study adopted a descriptive research design to understand the influence of Entrepreneurial Orientation on performance of agricultural cooperative societies. The study area was in Uasin Gishu County in Kenya with a target population of 414 staff in 63 registered agricultural co-operative societies. Stratified sampling technique was used to select a sample of 203 respondents. Primary data was collected by use of a questionnaire. Pilot testing was carried out to test the validity and reliability of the instruments. Regression analysis was used for the analysis of the data, where it was then represented in descriptive tables and inferential form for analysis. Relationships between different variables were analyzed using a regression model. The study results failed to despute that innovativeness and risk taking had no significant influence on performance of agricultural co-operatives within Uasin Gishu County. However proactiveness showed significant influence though the coefficient was negative, meaning an inverse relationship where an increase in proactiveness leads to a decrease in performance among agricultural co-operatives. Competitive aggressiveness was significant and has an influence on performance of co-operatives in Uasin Gishu County. Study results show that entrepreneurial orientation is a factor that affect performance though the level of uptake of entrepreneurial orienation is still low among agricultural co-operatives as depicted by Beta values. The study therefore has recommended training of stakeholders on innovativeness, risk taking, proactiveness and competitive aggressiveness for better performance. The The findings from this study would be useful to policy makers for guided interventiopns, researchers, development planners and Uasin Gishu County. This will help towards achievement of entrepreneurship development which is crucial to attainment of Vision 2030.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Enterprise performance is hinged on the creation of value which forms a unique combination of resources to exploit an opportunity (Kuratko, Morris, Michael, Donald Covin & Jeffrey 2008). According to Kuratko (2009) organizations are struggling to chart a new path to sustainable competitive advantage by rightsizing, unbundling, forcasing on core business while divesting others, business process reengineering and quality management, but it is less clear what does work. However,many studies have proved a positve relationship between entrepreneurship and performance (Schumpeter, 1934; Shamsuddin & Shahadan, 2012). Brandt (1986) also noted that companies must tap into the creative power of their members as innovation is a capability of many. Stevenson and Jarillo (2011) allude that of the many available views of entrepreneurship, one that capures the essence of entrepreneurship is that it is a process that entails the combination of entrepreneurial and environmental potential into an undertaking and therefore they define entrepreneurhip as the process of creating value by bringing together a unique combination of resources to exploit an opportunity.

Timmon (2000) takes a further view of entrepreneurship as the ability to create and build a vision from practically nothing. Accordingly entrepreneurial activities result in improved economic activities, building wealth and provision of jobs. (Wickham, 2006; Sandberg, 1992). Covin (1999), notes that there are no rules regarding how to achieve a sustainable competitive advantage in a complex dicontinuos, hyper-competitive non speed world but there is the fundamental model of entrepreneurship that seems to work on many organizations. Therefore an entrepreneur is not necessarily someone who puts up the initial capital or invents a new product, but the person with the new idea and should not necessarily be owners or founders, but could be employees as well (Mintzberg, 1998). The view that ownership is required for entrepreneurship was challenged by (Murphy et al., 2006).

According to Davidsson (2003) entrepreneurial activity refers to new activities in an enterprise which leads to the emergence of new goods or services and can occur within a new or established enterprise through different methods of resource use. Therefore the entrepreneurial continuum includes firm entrepreneurship (Intrapreneurship) as well (Stevenson & Jarillo, 1990; Zahra et al., 1999). According to Sundbo (1998) a firm entrepreneur being someone particularly rich in initiative within an enterprise, who struggles to realize an idea often at the expense of current rules and norms. There is no doubting the underlying substantial social, cultural, and economic benefits of entrepreneurship, a fact that has made governments around the world to take an increasingly active role in fostering what seems to be currently regarded as a necessary phenomenon (Domingo, 2010) . It is for this purpose that entrepreneurship study was introduced in the Kenyan School curriculum in the year 1990 with an objective that it would lead to venture creation which would eventually lead to creation of jobs, raise standards of living and help reduce the level of poverty Kenya (1999).

Morries and Lewis (2008); Hold (2010) note that even though the concept of entrepreneurship has been around for a long time, its resurgent popularity implies a sudden discovery. They allude that the American system of free enterprise has always engendered the spirit of entrepreneurship and that America was discovered and nourished by entrepreneurial activity for it to became the world economic power. Vesper (1985) and Hisrich (1988) emphasized that the future rests squarely on entrepreneurial ventures founded by creative individuals who are inspired and can instigate progress. Entrepreneurship is therefore more than a course of action one pursues; it is more than a mindset (Shamsuddin & Shahadan, 2012). Subequently at the level of the organization, entrepreneurship can provide a theme or direction to a company's entire operation and serve as an integral component of a firms strategy. According to Wiklund, Davidson Audretsch and Karlson, (2011) a strategy at its' essence, attempts to capture where the firm wants togo and how it plans to get there and when entrepreneurship is introduced as a straegy, the possibilities regarding where the firm can go how fast and how it gets there are greatly enhanced.

Entrepreneurial orientation as a strategy refers to infusing the enterprise with innovative behaviors' as a means to achieve such thinking (Schindehutte, Morris, & Kuratko, 2000). While Morris and Kuratko (2002) refers to this mix as firm entrepreneurship with a managerial approach that will encourage innovation and re-energize employee. Furthermore, other scholars refer to firm entrepreneurship as starting innovative management, firm level entrepreneurship, and entrepreneurship management (Stevenson & Jarillo, 1990; Ngotze, Bwisa, & Sakwa, 2014; Covin, 1999). Three situations that can be viewed as firm entrepreneurship therefore emerge as: An individual or individuals developing new products and services in an established enterprise, an entrepreneurial thinking that infuses the whole enterprise operations, and lastly, an enterprise entering new business for instance diversification, a situation where employees act in ways described as entrepreneurial. However, entrepreneurial decision making is affected by cognitive and environmental variables (Hindle, 2009). He further observes that, this compares well with the earlier suggestions on the relationship between performance and the entrepreneurial potential and environmental constraints where Wagner (2012) and Zarr (2014) have shown that almost 80% of small businesses fail within 10 years of launching. The same research also show that those businesses that fail follow the same paths to destruction when these issues could be avoided by just some understanding factors that determine the formation and growth of enterprises, and a little help from experts and consultant (ROK, 2010).

Kuratko and Hodgets (2004) perceive today's enterprise environment to be characterized by a rapid growth of new and sophisticated competitors and a need to improve efficiency and productivity. Mokaya (2012) on the other hand emphaizes firm entrepreneurship as a response strategy to realize competitive advantage in the turbulent and hostile enterprise environment. Similarly this agrees with, Cole (1959) who alludes that for enterprises to survive, they need to continually create an emphasis on firm entrepreneurship as a source of discontinuous innovation that alter rules of competition in their favor. Continuous innovation could imply entrepreneurial orientation by co-operative firms engaging in the component of newness in running their routine activities.

Anderson, Dodd, and Jack, (2012) acknowledges that entrepreneurial opportunities in a country could be affected by access to resources, markets, land, basic infrastructure, skills, traits, knowledge, and culture could affect performance of enterprises. Enterprise culture could result in the development of negative attitudes towards certain enterprises, hence poor enterprise performance (ROK, 1992). Performance of co-operative enterprises in Kenya vary a great deal (Wanyam, 2012). The co-operative enterprises operate in the same economic environment like Small and Medium Enterpries where they are confronted with a hostile political, social, economic and institutional environment. These environment equally hinders co-operative sector's ability to participate effectively in development (Naituli, 2003; ILO, 2014). For entrepreneurial orientation and dynamism in the co-operative sector to work, it demands low barriers to entry, effective guarantees for property rights and access to finances in order for the enterprises to perform at optimum.

Accordingly co-operatives require among other things appropriate physical infrastructure, access to technology, market, sources of assistance and a favorable legal and regulatory environment (Wanyama, 2008; International Co-operative Agency, 1995;World Bank, 2006). However, as earlier observed there is a gap between policy formulation and implementation in developing countries (Co-operative Alliance Agency, 2018: ROK, 2017). This could also be a factor that could effectively hinder the co-operative enterprise performance in Uasin Gishu County in Kenya. Entrepreneurial strategy was once considered mainly a focus on the individual innovator and risk taker, but has now branched into other areas of interest including organizational and environmental interface effectively (Brizek, 2003). Triggering events seem to occur faster than expected (Morris et al., 2008) and as suggested by Drucker (1958), the only constant thing in business is change. The fact that the changing enterprise environment and rule of competition are becoming part of life in most enterprises means that this is a requirements for staying on business. Change being the only thing that endures.

Firm entrepreneurship focuses on the culture within an enterprise to become more entrepreneurial in nature in order to compete in the turbulent enterprise environment (Das, 1987). Literature indicates, firm entrepreneurship as the managerial process of

enterprise creation (Davies, & Morris, 1991). However, current literature indicates facets of corporate entrepreneurship such as the analysis of the managerial process of firstly: the birth of new business within existing enterprises, either through joint venturing or internal innovation (Guth & Ginsberg, 1990). Secondly, the transformation of enterprises through strategic regeneration, which means the creation of new wealth through the combination of resources as a result of entrepreneurial activities (Gail, 2000).

Therefore, for co-operative societies to meet their objective, they need to establish competitive advantage through continuous innovation, whether related to the creation of new product and services, production and business models (lumpkin, 2010; Mokaya, 2012). Wanyama, (2012) suggests that co-operatives need to adapt with speed, aggressiveness, determination, boldness and innovativeness, where Lumkin and Dess (1999) refers to all this as entrepreneurial orientation.

In the current co-operative framework, members are undecided in their desire to make employees and enterprises more entrepreneurial (Herbert & Brazeal, 1999; Develtere, Pollet, & Wanyama, 2008; 2013). According to ICA, (2012) the task is to create an enabling environment that fosters, motivates, attracts and retains entrepreneurial employees within co-operative enterprises. Facts which Gamal (2011) agrees to and emphasizes the instilling and enhancing of an entrepreneurial culture of innovation where employees can pursue entrepreneurial events and fail without being punished, rather rewarded for them to continue engaging in entrepreneurial activities. As earlier noted, many scholars have linked enterprise performance to the uptake of entrepreneurship orientation (Rauch et al., 2004, Schumpeter, 1934; Olawoye, Namusonge & Muturi, 2016; Ngotze et al., 2014; Mwai et al., 2018). A point worth noting is that entrepreneurial orientation outcomes includes new entrepreneurial events such as innovativeness, risk taking, proactiveness, competitiveness that could improve and enhances co-operative performance too (Lumpkin & Dess, 2001).

1.1.1 Global Perspective of Influence of Entrepreneurial Orientation on Performance.

The global focus on unemployment and wealth creation has resulted into continued development of Small and Medium Enterprise sector (SMEs) and co-operatives, which forms the core of entrepreneurship (ROK, 1999). Entrepreneurship as a process demands amongst other factors calculated risk-taking, creativity, innovation and being competitive (Mokaya, 2012). Co-operatives have existed since 1761, and their importance to economic development can be filtered through its huge membership of around one billion (International Labour Organization, 2009). They employ directly and indirectly, 250 million people around the world with an estimated global turnover of 2.2 trillion USD (World Co-operative Monitor, 2014). Globally, the top 300 co-operatives worldwide have a turnover of more than US $1.9 trillion combined, meaning that there is a possibility that they are able to create and maintain over 100 million jobs around the world, 20% more than multinational enterprises (World Cooperative Monitor, 2014; International Labour Organization, 2013).

Global literature shows that successful co-operatives have engaged in entrepreneurial discourse (Kuratko & David, 2008; Tangen, 2003; Bhukuth, Roumane, Terrany, 2018). In New Zealand and South Africa which also have the best co-operative movements, have supported the development of MSMEs, the informal sector businesses, created sustainable employment and improved the social standing of the members and their families (Wanyama, 2008; World Cooperative Monitor, 2014). Besides organizing its members, it encourages bulk purchasing, giving advice to small entrepreneurs, offers its members services such as negotiating strategic alliances, mergers and acquisitions, trainings, workshops, linking businesses to opportunity recognition and enterprise development, co-operative audit, and financial services including savings, insurance and housing schemes and offering small business loans (Kruger, Reilly, & Danner, 2000). Accordingly, co-operative members have also worked harder, wasted less, and required less supervision, and members' willingness to tighten their belts has resulted in wealth creation for the members (Nteere, 2012; World Cooperative Monitor, 2014).

1.1.2 Regional Perspectives of Entrepreneurial Orientation on Performance of Cooperatives in Kenya.

The government of Kenya has come up with policy papers outlined in various sessional papers detailing how SMEs could be created and managed because of their importance in employment and wealth creation (Ministry of Trade and Industry, 1992; Shirandula, 2018; ROK, 2016). Co-operative societies are agencies that hold enormous potential for the entrepreneurial development within an economy (ROK, 1999). They have been around for 200 years and come in all shapes and sizes and in all sectors of the economy. During a time of economic downturn and high unemployment, particularly among young people, the society needs innovative strategies to generate growth and co-operatives are one such strategy based on fairness, democracy, and equality (World Cooperative Monitor, 2014; ICA, 2014). A co-operative being an autonomous association of persons united voluntarily to meet their common economic, social cultural needs and aspirations through a jointly owned and democratically-controlled enterprise is better placed to assist the community in a variety of ways (International Cooperative Alliance, 1995; Nteere, 2009; ICA, 2014).

This business model has a global track record in helping communities become sustainable and achieve more equitable distribution of wealth (Whiteman, 2011). For young people struggling under the weight of debt, facing a long stretch of unemployment, unfulfilling jobs, or simply searching for a better way of doing business, the co-operative model of enterprise offers alternatives based on self-help and self-responsibility, combining democratic processes with economic performance, and aligning ethical sustainable behavior with innovation and Growth (Rodgers, 2003; Rosenberg, 2010). Though, Co-operative enterprise does not pretend to be a cure for all the ills, it does offer hope and practical solutions for building a fairer world and now is the time for this invisible giant to become better recognized and understood (International Labour Organization, 2009; World Cooperative Monitor, 2014).

The Kenyan co-operative movement may be traced to the period immediately after the country's independence and is rated first in Africa and seventh in the whole world (International Monetary Fund, 2007). The movement is supposed to play an important role in wealth creation, food security and employment generation, hence poverty reduction. However the unemployment rate and poverty level in Kenya is still on the rise (National Social Protection policy, 2014; ROK, 1999). UNICEF (2014) notes that Kenya is a land of many contrasts from its landscapes, to social and economic inequalities and over 46% of its population of 44 million lives below the poverty line. They noted that poverty is fueled by a diversity of factors including unemployment and unfair trade barriers from developed countries especially in Agriculture, precisely the sector where Kenya is likely to be the most competitive (UNICEF, 2014). By the end of 2016, there were over 18,573 registered co-operative societies country-wide with a membership of over 12 million and has mobilized domestic savings estimated at over Kshs. 1.32 trillion (ROK, 2017). The co-operative movement has employed over 300,000 people, and are responsible for 45% of the GDP and 31% of national savings and deposits besides providing opportunities for self-employment in Kenya (Wanyama, 2009; Situma, 2009; Economic Survey, 2016). Indeed, a significant number of Kenyans, approximately 63% draw their livelihood either directly or indirectly from co-operative-based enterprises (Kenya Vision, 2030, 2007; International Monetary Fund, 2007; Eijdenberg, Paas, & Masurel, 2015). Hence, their importance in the country's economic development cannot be ignored. The UNs food and agriculture organization, sees co-operatives as key to feeding the world, while the ILO sees them as a way of organizing the informal sector (World Report, 2009; International Labour Organization, 2015; ROK, 2017).

Of the over 18,573 registered co-operatives, there are 545 agricultural co-operatives country wide, and are subject to the same market and economic forces that affect all models of enterprise. Yet co-operatives are unique businesses and can be distinguished from other models of enterprise in three key areas; Ownership, Governance and Beneficiary (ROK, 2017). However their economic contribution is often undervalued if not completely ignored (Wanyama, 2008; Situma, 2009). They struggle with the challenges of maintaining the balance between the association nature, ownership and operational efficiency, this eventually wears them and leads

them to dormancy and eventual closure (Zain, 2010;World Cooperative Monitor, 2014).

1.1.3 Normal Entrepreneurial Orientation on Performance of Co-operative Societies in Kenya.

Co-operative societies that have engaged in Entrepreneurial discourse have performed well. Nteere (2012), a co-operative society is an organization made up of people with similar interests for a common purpose which is mainly economic. ROK (2004) agricultural co-operatives in Kenya operate either as farming co-operatives, marketing co-operatives or as consumer co-operatives. According to the Uasin Gishu County Strategic Integraed Plan (2012), agricultural co-operatives in the county have been on the forefront to market farmers produce, negotiate fair prices, keeping of farmers correct records, paying out dividends to members, give loans to members in the form of farm inputs and cash and also educate members on various skills through tailer made trainings. ROK (2007) also noted that co-operatives have played a critical role in the supply of major farm inputs as well as in influencing co-operative pricing.

These co-operative function if well undertaken are supposed to lead to high living standards, generate employment, and wealth creation among members. However, according to Kuratko, (2012); Drucker, (2012) this is achieved through proper combination of factors of production which is entrepreneurship. Accordingly, entrepreneurship thrives in a conducive environment. According to Manjeet Kalra, (2008), entrepreneurship development is influenced by certain factors within the environment in which the co-operatives operate and these factors include economic, social, psychological, social and others of which their presence and absence affect the development of entrepreneurship. Without these factors being present, there can be no entrepreneurship development within cooperatives.

The government by its actions or failure to act also does influence both economic and non-economic factors for entrepreneurship within its country. According to Uasin Gishu County Integreted Strategic plan (2012) by creating basic facilities, utilities, and services and by providing incentives and concessions, the government

can provide the prospective entrepreneurs a facilitative socio-economic setting. Such favorable setting minimizes the risks that the co-operatives are to encounter and help members to become economically stable. They benefit small-scale producers by collecting, processing and selling produce on their behalf. But according to Uasin Gishu County Strategic Plans (2012), this is not the case. Farmers are facing many challenges and they go individually.

Agricultural co-operatives

Agricultural cooperatives continue to occupy the most important place in the cooperative movement in Kenya. They are involved in buying, collecting, processing and marketing farm produce. Most farm purchase co-operatives were created immediately after independence to enable their members to buy farms owned by European settlers. Most agricultural co-operatives help members with collection, processing, storage and sale of produce (UGCIS, 2013). They also play a major role in securing credit, fertilisers, seeds and farm machinery for members. Many of them are involved in the production of crops.

Most agricultural societies in the country have registered growth, except cotton and farm purchase societies (CAK, 2018). Poor performance in pyrethrum production in the recent past has resulted in minimal cooperative activity , with coffee, sugarcane, pyrethrum and dairy products recordig marginal sales increases from Kshs10,377,000,000 ($122.1 million) in 2010 to Ksh10,433,000,000 ($122.7 million) in 2014. Coffee sales from co-operative societies declined by Kshs33 million ($388,235) (Co-operative Alliance of Kenya, 2011).

Uasin Gishu County

Uasin Gishu county extends between longitudes 20^0 50^0 and $35^0 3'$ East and 0^0 $55'$ North. The county has a total area of 3,328KM^2 and divided into six administrative divisions namely; Ainabkoi, Kapseret , Kesses, Moiben, Turbo and Soy. These are also the agricultural extension divisions. About 90% of the land area of Uasin gishu County is arable. About 2,110 KM^2 of the county is high potential, whereas approximately 1,000 KM^2 is of medium potential swamps, rocks and hills cover the

remaining 218 $KM^{2.}$ (Kenya, 2000). The terrain in the district allows for easier construction of infrastructure means and use of modern machinery for farming. The county has three main ecological zones. The larger area in the county falls within lower highland zone (LH_2) and lower Highland Zone 3 (LH_3).The economic activities in these zones are growing of wheat, maize, barley as well as diary cattle and sheep rearing Kenya, 2005).

Of the registered co-operatives in he county only 32 percent are active, while the rest are dormant (UGCISP, 2016). Accordingly, the dormancy is mainly due to mismanagement and corrupt practices. The co-operative department in the county has put in place intentional strategies to address this. Hence the cooperatives have been earmarked as vehicles of economic development and the only viable model of cascading government programmes to household levels (UGCIS, 2013). All agricultuaral co-operatives in the county are registered as diary co-operatives despite engaging in multiple activities such as cereal production, animal husbandry, fish rearing. The county of Uasin Gishu has embarked on deliberate efforts to revieve the co-operatives in collaboration with nationa government, construction of cereal stores,granting of animal feed mixers in several co-operatives, establishment of apotatoe cold storage, provision of subsidized fertilizer and artifificial insemination kits and semen. (UGCIS, 2016).

1.2 Statement of the Problem

According to Rand (2015) considering, the importance of agricultural co-operatives, they had been projected to be important in fostering rural development during, and after, the industrialization period. A Vast amount of work on positive relationship between Entrepreneurial Orientation and performance has been produced (Arif, Thoyib, Sudiro, & Rohman, 2013). However, lack of entrepreneurial orientation among co-operatives has also been found (Wanyama, 2013). Shamsudin and Shahadan (2012) also found a negative relationship between organizations and performance and assert that it is not clear what really works among agricultural Co-operatives. Co-operatives are quite often faced with the challenge of obtaining necessary entreprenruial skills as well as possessing the needed managerial, technical

skills and experience required to ensure success in their businesses (Wanyama, 2012; 2013). As stated by with Bekabil, Azim, Karim, and Beguim, (2014); ILO (2013) Co-operatives inability to engage in new ideas and creative processes led to the collapse of Marketing Boards and consequently unable to serve their obligations (Economic Survey, 2016 & 2017). The difference in the mode and diversity in operation, also constitute an encumbrance and drawback to entrepreneurship orientation and consequently precludes membership support leading to failure (Wanyama, 2012; Diarmuid, 2010; Bako, 2013; Kenya, 2015). Situma (2008) notes that other crucial challenges for agricultural co-operatives in developing countries, include how to deal with the inevitable tension between engaging in new entrepreneurial relations, while also remaining as an organization that is truly controlled by, and work for the benefit of its members. Members reluctance in joining co-operatives, inability to recognize opportunities, avoiding risky undertakings, and inability to embrace competition, as a tool of improvement (World Bank Report, 2010; Bekabil et al., 2014; Adefila, 2012). Of the registered co-operatives in Uasin Gishu county only 32 percent are active (Uasin Gishu county Integrated Strategic plan, 2015). This affects job creation and poverty reduction, directly and indirectly. This study therefore, fills the gap by examining the perceptions of staff withtin co-operativs about the influence of Entrepreneurial orientation on performance of co-operatives in Uasin Gishu County.

1.3. Objectives of the Study

1.3.1 General Objective

The general objective of the study was to analyze the influence of entrepreneurial orientation on performance of agricultural co-operative societies in Kenya.

1.3.2 Specific Objectives

The specific objectives of the study were as follows;

1. To establish the influence of Innovativeness on performance of co-operative societies in Kenya.

2. To determine the influence of Risk taking propensity on Performance of co-operative societies in Kenya.
3. To evaluate the influence of Proactiveness on Performance of cooperatives societies in Kenya.
4. To examine the influence of Competitive aggressiveness on performance of cooperative societies in Kenya.

1.4 Research Questions

The research questions that the study sought to answer were;

1. What is the influence of Innovativeness on performance of cooperatives in Kenya?
2. What is the influence of Risk taking propensity on performance of cooperatives in Kenya?
3. What is the influence of Proactiveness on performance of cooperatives in Kenya?
4. What is the influence of Competitive aggressiveness on performance of cooperatives in Kenya?

1.5 Research Hypotheses

H_{o1}: Innovativeness does not have a significant influence on performance of cooperatives societies in Kenya.

H_{o2}: Risk taking propensity does not have a significant influence on performance of agricultural cooperatives societies in Keya

H_{o3}: Proactiveness does not have a significant influence on performance of cooperatives societies in Kenya.

H_{o4}: Competitive aggressiveness does not have a significant influence on performance of cooperative societies Kenya.

1.6 Justification of the Study

Entrepreneurial Orientation is a firm-level strategic orientation which captures an orgaisation's strategy –making practices, managerial philosophies and firms that are entrepreneurial in nature (Mokaya, 2012). Its also said to be a strategy that infuses an organization with innovative thinking behavior so as to achieve such thinking (Timmons, 2000). This research makes an input in this statement by suggesting that the presense of entrepreneurial within co-operatives would accelerate by performance. There are four main reasons why the researcher found this study justifiable. The first reason arose on account of a dearth of empirical research which the present study adds to this type of research. This is as stated by Wanyama (2012) that little is known about entrepreneurial orientation, on co-operatives and even less about the perceived outcomes of such encounter. Empirical findings of this research therefore will be of interest to future research adding to the existing pool of knowledge. Secondly, Non-Kenyan studies which form the bulk of research done in this area, may not represent the exact relationship between entrepreneurial orientation and its outcome situation in Kenya. Thirdly, it was important to determine if entrepreneurial orientation could improve performance which could reduce dormancy among agricultural co-operatives in Uasin Gishu county. Lastly, if entrepreneurial orientation was found to be important in influencing performance among agricultural co-operatives, it would be significant to Kenyan policy makers in formulation of policies that favour training on entrepreneurship to agricultural co-operatives staffs. This would help with wealth creation, Kuratko (2007). These results were therefore expected to contribute significantly to the sustainable development goals and Kenya's vision 2030.

1.7 Significance of the Study:

The finding from this study is useful to policy makers, researchers, development planners and Uasin Gishu County, in the attempt to achieve entrepreneurship development which is crucial to attainment of Vision 2030.

1.7.1 Policy Makers

The study is significant to the policy makers to appreciate the importance of co-operatives as agents of economic development. Policy makers will create training policy to help enhance entrepreneurship. It is also argued that Entrepreneurial Orientation might be developed or learned in the same manner as envisioned by Stevenson and Jarillo (1990) as relating to the domain of management. Also the findings have provided valuable information for policy makers to provide relevant interventions on Entrepreneurial orientation where necessary.

1.7.2 Entrepreneurs

This study will encourage enterprises to embrace entrepreneurial behavior (Lumpkin & Dess, 2011). Accordingly any enterprise that engages in an effective combination of autonomy, innovativeness, risk taking, proactiveness and competitive aggressiveness is entrepreneurial will be associated with good performance. And for Miller (1998) entrepreneurship is the process by which organizations renew themselves and their markets by pioneering, innovation and risk taking and it is this conception that Lumpkin and Dess (1996) developed into the larger construct through inclusion of autonomy and competitive aggressiveness. The results are also crucial to entrepreneurs because it will support "opportunity recognition, help in identifying new ways of performance "which leads to improved performance.

This study therefore sought an insight into the influence of Entrepreneurial Orientation dimensions and their specific contribution to performance of agricultural cooperatives societies in Uasin Gishu County. Reducing the problem space around the dimensions of entrepreneurial orientation and their effect in this context promotes understanding of which specific relationships relate to increased performance. This also allows the specific nature of discriminatory influence to be highlighted. Increased knowledge of the specific nature of discriminatory and unfair influences specific to the co-operative relating to entrepreneurial activity allows for increased understanding of processes and interventions affecting the upliftment of co-operatives, along specific dimensions.

1.7.3 Researchers

The results complement findings of existing studies on Entrepreneurial Orientation**.** The research also provides literature to be used by scholars, practitioners and stakeholders. The study will contribute to the entrepreneurial literature by focusing on which type of entrepreneurial constructs is relevant and in what enterprises.

1.8. Scope of the Study

The study was undertaken with the intention of analyzing the influence of Entrepreneurial Orientation constructs on performance of agricultural co-operatives societies in Uasin Gishu County.This study took a sample of 203 employees of agricultural co-operatives in Uasin Gishu county, Kenya. Employees in agricultural co-opertaives considered were those registered under the ministry of co-operatives. The agricultural co-operatives in Uasin Gishu county are all registered as diary co-operatives though they undertake multiple activities. The 203 was calculated, using Mora and Kloet (2010) formula.

1.9 Limitations of the Study

This study had a number of limitations and these included relatively small sample size of staff of co-operatives (n=203) which was influenced by a sample frame that had few staffs This may have caused the possibility of common method variance owing to self report biasing factors (Spensor, 2006; Chebii, 2017).

There was also possible effect of semi-literate respondents but this was managed through a trained research assistant who would translate questionnaire to Kiswahili and even into the Kalenjin dialect for easy understanding. Thirdly by using the sampling frame that had higher composition of respondents from the co-operatives registered as diary as opposed to other agricultural acivities like cereal co-operatives, this challenge of low numbers was addressed. This wsa in line with Singh and Masaku (2014) who indicated that the benefit in sample size is gained by studying more individuals, even if the additional individuals all belong to one group.

Moreover, whilst findings might have been generalized to agricultural co-operatives that are active, the present study was not conducted over an extended period to determine long-term effects and results from enterprise growth. New development theory suggests that longterm growth is affected by human activities and planned economic behaviors (Verbic et al., 201:67). In this study human activities involved engaging in entrepreneurial acivities. Therefore it is recommended that future research takes a longitudinal approach with co-operatives enterprises from start-up, using deduction and analysis to establish relevant causality of performance.

Though objective data is generally difficult to obtain from co-operatives, future research efforts may want to design or use objective data to encourage confidence in the reported analysis. An additional limitation could be in the measurement of the dependent variable of firm performance. The measures used pertained to the performance areas of sales growth rate, increased market share, dividends growth, and increased asset return on asset. There may be other measures or dimensions that are better indicators of co-operative performance. Future studies should strive to obtain objective data so as to gain confidence in the reporting of the results. Equally, the use of cross- sectional design could only provide a snapshot of the scenario hence this study recommends a longitudinal design which takes into consideration a uniform period for the study. Thus generalizing does not bring about a true picture as to which co-operative have performed better. In future performance appraisal should be based on the years of operation.

The co-operatives within the county also engage in multiple activities making it difficult to have a uniform measurement scale. Future studies need to strictly classify co-operative activities to make the results more viable. Participants Effects stemming from a variety of factors related to the unique motives, attitudes and behaviours that participants bring to any research was delt with through randomization which helps to ensure internal validiy of the study by helping to eliminate alternative rival hypothesis that mighty explain the results of the study. A control technique where participants are selected at random from a defined population, so as to increases external validity was applied (Kaufman, 2005).

The problem of common method bias, which describes the measurement error that is compounded by the sociability of respondents who want to provide positive answers was also dealt with through standardizing all the items and procedures of data collection (Chang, Witteloostuijn, & Eden, 2010). The study collected data on both the independent and dependent variables from the same respondents at one point in time, thus raising potential common method variance as false internal consistency might be present in the data. This was corrected by making study procedures and instruments standardized, by having uniform scripts for interacting with research participants, through scripting out appropriate responses for researcher to follow in standard definition of variables (Spector, 2006). To avoid measurement error, the researcher used existing insruments for innovation, proactiveness and competitiveness because they have established reliability and validity. Equally, the independent and dependent variables can be obtained by using different formats of response (such as Likert scale and open-ended questions as they also yield interval or ratio data (Podsakoff et al., 2003; Burton-Jones, 2009).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents literature review. Literature was reviewed from relevant texts and sources according to objectives of the study. It was reviewed on the influence of Entrepreneurial Orientation on performance of co-operatives i.e. innovativeness, risk taking propensity, proactiveness, and competitive aggressiveness all on performance of co-operatives within Uasin Gishu county. The chapter also shows the conceptual framework, review of variables, the research gaps and summary of the study.

2.2 Theoretical framework

The study was guided by the following theories; Innovation theory which was developed by Schumpeter, (1934). Where he averts that economic development involves transferring capital from old business using established methods of production to business using new, innovative methods Shumpter (2007). Situational Leadership theory by Hersey-Blanchard (1980) which says that a good leader will be able to adapt her or his leadership to the goals or objectives to be accomplished. Resource Based Competitive Advantage theory was also applied and it contends that the possession of strategic resources can provide an organization with competitive advantages over its rivals (Grant, 1991). Several studies have shown a relationship between these theories, Entrepreneurial orientation and performance of enterprises (Hutt & Speh, 2010).

2.2.1 Background

This study has defined an entrepreneur as a risk taker, Macko and Tyszka (as cited in Chebii, 2017) the driver of economic growth (Carree & Thurik, 2010), and as an innovator who introduces new production , processes and item (Rauch et al., 2009). Even though strictly speaking owners and manager of SMEs are not necessarily entrepreneurs, this study took them as such since for most businesses started, there

should be at least an element of risk-taking and contribution to an economic growth (Chebii, 2017). In this study Entrepreneurial orientation which entails risk taking, innovativeness, proactiveness, and competitive aggressiveness are taken as independent variables while performance is dependent variable. Many studies have posit that there is a relationship between Entrepreneurial orientation and performance of enterprises, facts which are supported by various theories (Hutt & Speh, 2010; Moreno & Casillas, 2014; Ngoze et al., 2014). This study found Innovation theory, Resource Based Competitive theory, and Situational Leadership theories appropriate where employees within the co-operatives have been considered as entrepreneurs and are the ones to spear head the daily entrepreneurial activities for improved performance (World Bank, 2010; ILO, 2014).

2.2.2 Innovation Theory

Schumpeter (1934) is largely regarded as the first proponent of modern innovation theory. While formulating the theory, he focused on the firm and the role of entrepreneurship in the economic development process. In general, innovation denotes the successful introduction of novelties (Kuratko & David, 2008). The word "innovation" originates from Latin word "inovare", which can be translated as "renewal, increamental improvement,on existing products, the creation entirely new products or reducing costs (Schumpeter, 1934; Boston Consulting Group, 2006). Thereby indicating the ability to create something new. Accordingly it is important to distinguish between inventions and innovation (Covin, Jeffrey Wales, & William, 2008). An invention being the first occurrence of an idea for a new product or process, and innovation being the act of putting it into practice (Fagerberg & Scholec, 2005; Kuratko & David, 2012). They further emphasize that from an economic perspective, an invention must be advantageous, to be considered an innovation. However, despite extensive study, there is no unified definition of innovation (Stenberg, 2004).

In this study, innovation has been defined as the act of successfully introducing new/novel products, venturing in new markets/ expanding the existing market, engaging in new production processes, and to come up with new combinations

(Schumpeter, 1934). While contributing to the theory, Rodgers, (1962) averts that innovation originated from communication whereby over time, an idea or product gains momentum and diffuses through a specific population where the end result is where people as part of a social system ,adopt a new idea, behaviou or product. From the aforementioned characteristics of innovation, this study found Innovation theory appropriate. This is because innovativeness is one of the constructs of entrepreneurial orientation and it has been emphasized as important for firm performance (Schumpeter, 1934; Aldrich & Ruef, 2006). While developing Entrepreneurship theory they viewed entrepreneurs as drivers of economic development in that they destroy the existing economic structures and create new ones by introducing new combinations, new products, new production process, new markets, new sources of supply, and developing a new organization or industry.

Therefore following this definition view, employees who bring innovations into an established co-operative will be considered entrepreneurial (Sharma & Jess, 2005; Kuratko & David, 2012). They further alluded that of essence among researchers studying innovation, is its influence on performance, and that can also be traced back on Schumpeter (1934) who, looked at economic development as a process of quantitative change enjoyed by entrepreneurs as risk takers, driven by innovation. Ngotze, (2014) alludes that innovativeness and risk taking are closely interlinked hence has been linked to organizational performance and thus in the current turbulent environment, firms must be innovative to gain a competitive edge in order to survive and grow (Covin et al., 2008; Fagerberg & Scholec, 2005; Mwai, Ntale, & Ngui, 2018). Drucker (1988, 2012) cautions that an innovation has to be simple and it has to be focused. He emphasized that all effective innovations are breathtakingly simple, and focus on a specific need that is to be satisfied.

Raunch et al., (2009) and other authors have also emphasized the importance of innovation and risk taking for firm performance including, (Soininem et al., 2013; Crespell & Hansen, 2008; Otieno, Bwisa & Kihoro, 2012, Waithaka, 2016). Despite this glorious background of the influence of innovation on performance of organizations, agricultural co-operatives remain surprisingly unfamiliar to innovativeness (Wanyama, 2008; Develtere et al., 2009). Throughout its long history,

agricultural co-operatives have often suffered failures and subsequent closures or dormancy (Wanyama, 2008; ILO, 2009; World Co-operative Monitor, 2014). The goal of innovation activities is profit as a surplus or residual that arises due to lower costs or higher prices (Kuratko & David, 2008). Ngotze, (2014), Mwai (2018) justified the use of innovativeness as a dimension of an Entrepreneurial Orientation because it reflects an important key element in the pursuit of opportunity which can be crucial to survival and growth of agricultural co-operative societies in Uasin Gishu County.

The study looked at various measures of innovations which may exist in a firm such as resource allocated to research and development, in addition to measures such as the number of added products or new service introductions and how often changes are introduced in this regard (Sardana, 2016). Prior research revealed that most agricultural co-operative societies in Uasin Gishu County, market their products raw without value addition and these affects the size of the market they access, leading to low sales and eventually closure or dormancy (Wanyama, 2008; Uasin Gishu County Integrated Strategic plan, 2015). This research takes into account these factors to operationalize innovativeness. According to Lumpkin and Dess (1996); Drucker (1988) most innovations build on existing skills and knowledge and these could be manifested in enhanced competence which leads to a positive and significant association between innovativeness and increased earnings (Augusto, Lisboa, Yasin, 2014; Osoro, 2012).

These characteristics of improved perfomance make innovation theory key and appropriate in this study which endevours to underscore if entrepreneurial orientation as a factor that has influence on performance of agricultural co-operatives in Uasin Gishu County. This study also looks at the level of innovativeness, and risks being assumed by a co-operative which varies greatly depending on the type of innovation being considered and the ability of aggressiveness of the staffs concerned (Namusonge, Muturi & Olawoye, 2014). Satell (2017) notes that, innovation can be looked at from four perspectives; discontinuous innovation, that address a need that has not been addressed before or that change the way customers go about addressing a need. Dynamically continuous innovation entails a dramatic improvement over the

existing state of the art solution though does not disrupt the buyer behavior as much as discontinuous innovation does. Continuous innovation is incremental or step at a time innovation and it entails the enhancing of the performance of an existing product where new features or options are added, and / or new applications are developed e.g. adding a new flavor and imitation which entails copying, adding, or mimicking the innovation of other firms (Shumpeter, 2007). Drucker (1988), also agrees with increamental improvement as innovation. (Aldrich & Ruff, 2006). It was observed that, co-operatives in Uasin Gishu county tend to devote most of their resources towards continuous and imitation innovations partly because on the face value, this strategy would be prudent as a risk management strategy (Uasin Gishu C I S P, 2012).

Wikland and Shephard (2011) warns that an organization that innovates only in response to the moves of other firms and pursues an imitation strategy incurs high risks. They also warn that the pace of technological and market place change is rapid, hence the imitative company's may miss out on the entire market opportunities by the time it is able to respond to an innovative new product or service. Hence, it also becomes harder and harder to catch up as innovative competitors move from incremental advances in a current technology to a major advance using a new technology to a major advance (Christensen, 2013). Meanwhile, new competitors emerge from other industries to attack the firm's most profitable lines of business with innovative marketing, distribution, and customer service approaches (Christensen, 2013).

Whereas, when the firm does move, it finds its role in the market to be that of a niche player in the market place (Kim & Crant, 2009). At the same time, co-operatives that engage in breakthrough innovation are often moving into uncharted waters where no one has been before. This entails proactiveness, and consequently, there is high risk of market failure through improper market analysis, mismatch of technology to customer needs, or inadequate design of marketing programs, which is risk taking (Benos, 2018). In many instances, the window of opportunity has yet to open, and the firm is too early, and sometimes the requisite infrastructure to support the innovation, including logistical systems and service networks is inadequate. This

is characteristic of agricultural co-operatives where the level of innovation uptake is also characterized by risk taking and seem to be low (Kreiser, 2010).

For this study and in other instances, the agricultural co-operatives may be unable to penetrate the market beyond the so called innovators and early adopters because the value package represented by a new product or service fails to have general market appeal (Uasin Gishu Strategic Plan, 2012; Wanyama, Develtere et al., 2013). Tilahum (2012); Kiiru (2013) notes that in the middle of the continuum, risks are more moderate and the firm should continually improve the existing products and discovering new markets applications, while also adding new product mix that represent significant advances in the current state of the art. Fundamentally, the study also agree that moderate or calculated risk posture is the recognition that risks become more manageable not by pursuing less innovation, but by innovating more and by innovating more intelligently (Birchi, 2003). Although agreeing that such co-operative collaboration is becoming increasingly dominant in successful venture, Shindler (2017) warned, that the very collaboration is frightening due to the uncertainty and the hostile environment that the collaboration is exposed to.

The study also appreciates that agriculture as a sector is going through digital transformation and over the next few years agriculturists should adapt innovative uses of information. This makes the innovation theory relevant to agricultural co-operatives. Although food demand is increasing, the agricultural sector is going to have to do with reduced limited water and other inputs hence , firms need to have sustaining factors in co-operation in Research and Development(R &D), the support for co-operation innovation by senior leadership, effective organizational structures as well as existing experience of co-operation (ROK, 2016). Drucker (2012) views entrepreneurship as any gradual activity. This view was also ascertained in this study in regard to agricultural co-operatives, as whether there are any gradual improvement in services, on products and processes.According to (Situma, 2008) the traditional farming and management ways of operations are not sustainable if there is no wealth changing potential of already existing resources facts which (grant, 2014) agrees with. The registered agricultural co-operative societies in Uasin Gishu being 63 out of which only 32 percent are active (UGCISO, 2012). It is also estimated that an

alarming 46 percent live below poverty line in Uasin Gishu county (UGCISP, 2012). Studies have indicated that out of a total of 11.85 million of labour force in Kenya, 75 percent is in agriculture (ROK, 2012).

A case that is not similar to Uasin Gishu County where as much as it is Kenya's granary, the level of poverty still remains high (Uasin Gishu County Integrated Strategic Plan, 2012). The county government through agricultural co-operatives and training has emparked on helping the impoverished households become self-sufficient through provision of livestock (heifers), to co-operatives related services and training in basic entrepreneurial skills with hope that there will be improved social standards and interactions. Consequently, innovativeness within co-operatives is key to increase in farm assets which may translate to co-operatives wealth of members. In a radical departure from his earlier recognition of an entrepreneur as an outstanding individualist, Schumpeter says explicitly, that the term entrepreneur does not have to be one person (Clemence, 2009). This means corporate enterprises like co-operatives could also be entrepreneurial if they engage in entrepreneurial activities. Drucker's (2012) contribution to the theory is more recent and takes into consideration the importance of organization of factors of production. According to Ngari, (2016) the researchers contribution can be perceived as a direct counter to Schumpeter's entrepreneur who was posited to cause disequilibrium in markets by introducing new combinations in discrete and irreversible leaps, and emphasized the gradual introduction of change into markets. Drucker (1988) challenged Schumpeter's idea of innovation by stating that whatever changes the wealth producing potential of already existing resources constitutes an innovation, and that innovative opportunities do not come with the tempest but the rusting of the breeze (Kibera, 2016). He added that the entrepreneur links together processes, resources, and markets in his domain and links other entrepreneurs in the allocation process (Kibera, 2016). He further describes entrepreneurs some as eccentrics, others as conformists' some as fat while some as lean, as well as men of great warmth while some have no more personality than a frozen mackerel. This agrees with a study by Timmons, (2010) that there is no single agreeable definition by scholars, but what they do agree on is that an entrepreneur takes an idea, develops a business around it, manages the business, and assumes the risk for its success (Timmons, 2010).

Innovation theory was considered relevant as the characteristics of Schumpeter as well as Drucker defines the entrepreneur that is needed for agricultural co-operative societies to survive in the current turbulent environment. Many recent studies have shown that innovativeness is paramount in the success of firms, where agricultural firms are not an exception (Osoro, Mukulu, & Sakwa., 2012; Waithaka, 2016; Gudda, 2017; Macharia, 2016; Otieno et al., 2012; Piirata, 2012; Dzilkanan, 2014).

However, despite the glorios background of innovation theory that emphasizes economic growth, it suffers some criticisms. Lazonick, (2005) observes that innovation only thrives where it is consistent with existing cultural patterns. That the discussion of the theory assumes the financial asppects involved innovation, pays much attention to indidvidual organization and assumes social contexts within which the organization operates. He futher noted that conditions for success were far too reliant on economic factors. Drucker, (2012) also contributes to criticism by noting that innovations could also be necessarrily accidental. He also understood innovation and entrepreneurship as two distinct activities and advised that innovation could be learned, (Gupta, Roy Luebke on Peter Drucker on Innovation). Gamal et al. (2011) asserts that in developing world, innovation is preferentially done by introducing increamentally innovative products which are new to the firm but not to the industry since risk is especially consequential in resource allocation and poor settings. Consequently this approach enables the firm to manage risks by building on the innovation of others as it is a lower risk approach and less likely to cause alarge loss of money. Gamal et al. (2011) also holds that this approach holds fewer rewards and is a compromised approach to genuine entrepreneurship.

2.2.2 Resource Based Theory of Competitive Advantage

According to Dollinger (1999) this theory explains how entrepreneurs themselves build the businesses from the resources they currently possess or can realistically acquire in order to gain a sustained competitive advantage. The resource based theory argues that the choice of which industry to enter and what business to be in is not enough to ensure success. It says that the nature and the quality of the resources the entrepreneur possess and can acquire can lead to the long run success. The theory

treats the entrepreneur individual as an important unique resource that money cannot buy. The resource based theory holds that Sustainable Competitive Advantage (SCA) is created when firms possess and employ resources that are valuable because they exploit some environmental opportunity, rare in the sense that they are not enough to all competitors, imperfectly imitable so that competitors cannot merely copy them, and non substitutable with other resources **(**Wernerfelt, 2013).

The Resource Based theory recognizes six types of resources as financial, physical, human, technological, reputational and organizational resources; or tangible and intangible (Grant, 1991). Financial resource represents money assets and financial stocks, physical assets represent the tangible property the firm uses in production and administration. Human resource on the other hand includes knowledge, training and experience of the entrepreneur and his or her team of employees and managers. Corte (2012) agrees with Druckers (2012) view that technological resources are embodied in a process, system, or physical transformation while reputational is the perceptions that constitute goodwill. They emphasize that a firm's most important resources are those that are durable, difficult to identify and understand, imperfectly transferable, not easily replicated and in which the firm possesses ownership and control to its advantage (Grant, 1991; Cardeal & Antonio, 2012). The theory is appropriate for the study because co-operatives hold enormous resources hence there importance in the county's economic development cannot be ignored (World Co-operative Monitor, 2014).

Grant (1991); Mweru et al. (2017) asserts that recently there has been a resurgence of interest in the role of the firms' resources as a foundation of the firm strategy, and the role of corperate resources in determining the industrial and geographical boundaries of the firms activities. While formulating the theory, Grant (1991) had in mind the fact that the crux of strategy formulation is to define one that makes the best use of these resources and capabilities and that in order for people to work towards a common objective, they must know what the objectives are (Shamsuddin, & Shahadan, 2012). They further alludes that, in order to sustain the firm's Competitive advantage, it is necessary that an organization, keeps nurturing and developing its resource base, which can be seen as stocks that depreciate with time and that have to

be replaced, augmented and upgraded, meaning a continuous search for new sources of competitive advantage. The scenario is similar to agricultural farming which is the foundation of agricultural co-operatives. This theory is also appropriate for co-operative societies because they need to constantly engage in entrepreneurial discourse so as to gain competitive advantage.

The Resource-Based (RB) theory, by contrast, can be seen as an "inside-out" process of strategy formulation (Grant, 1991; Corte, 2018). That when the external environment is in a state of flux, the firm's own resources and capabilities may be a much more stable basis on which to define its identity. Accordingly, designing a strategy around the most critically important resources and capabilities may imply that a firm limits its strategic scope to those activities where it possesses a clear competitive advantage. Resource-based theory has significantly contributed to understanding why some firms sustain and leverage their competitive advantage to outperform their competitors (Barney & Cortet al., 2012; Kraaijenbrink, Spender, & Groen, 2010).

Authors argue that Return On Assets reflects the redeployment of firm's assets in innovative ways (Zahra & Garvis, 2008, Zur, 2015). Another way of tackling the problem of fragmented financial performance measurement is suggested by Vozikis et al. (1999), who suggest a model of evaluating EO impact on firm performance through additional value creation: greater than expected dividend growth rate. These authors merge efficient market theory and financial theory with EO to suggest that corporate entrepreneurial activities are more accurately evaluated by the market stock value.

The ability of a firm's resource and capabilities to support a sustainable competitive advantage is essential to the timeframe of a firm's Strategic Planning Process (Wernerfelt, 2013; Corte, 2012). Schumpeter (1934) in his theory on innovation, emphasized on the fact that, an entrepreneurial firm is one which combines various input factors to generate value that exceeds the cost of input factors for profit. Equally, Co-operative societies hold enormous resources, and harmonizing the exploitation of existing resources with the development of the resources and

capabilities for competitive advantage in the future is a subtle task which co-operatives have to learn and perfect through repetition and develop the expertise required for the survival (World Corperative Monitor, 2014; 1CA, 2012).

Accordingly, effective strategy in the present builds invisible assets, and the expanded stock enables the firm to plan its future strategy to be carried out. Also the future strategy must make effective use of the resources that have been amassed. Given that agricultural co-operatives hold enormous wealth, then their proper utilization and investment is crucial for their survival (Kotabe, 1995; McGrath & MacMillan, 2000).

Grant (1991) emphasizes, that making the resources and capabilities of the firm the foundation for its long term strategy rests upon two premises that internal resources and capabilities provide the basic direction for a firm's strategy, conveniently this takes the form of mission statement which answers the questions: "What is our business?, who are our customers,? which of their needs do we seek to serve? and whether the primary source of profit for the firm are profitable? (Deshpande et al., 2008; Fagerberg et al., 2010). They have Emphasized that, when the external environment is in a state of flux, the firm's own resources and capabilities may be much more stable basis on which to define its identity. However, he warns that such broadening of the target is of little value if the firm cannot easily develop the capabilities required for serving customer requirements across a wide front.

Consequently, Mokaya (2012) concurs, that several firms whose strategies have been based upon developing and exploiting clearly defined internal capabilities have been adept at adjusting to and exploiting external change. For Gant (1991) a firm's ability to earn a rate of profit in excess of its cost of capital depends upon two factors; Attractiveness of the industry in which it is located, and its establishment of competitive advantage over rivals and more fundamental to these choices, is the resource position of the firm. Superior process technology, ownership of low–cost sources of raw materials, access to low wage – labor, brand reputation, proprietary technology, or an extensive sales and service network (Aarika, & Sandberg, 2012). The major challenge among co-operatives despite them holdin a huge amount of

resources, and for these resources to be beneficial, is there has to be an entrepreneurial leader who can allocate them appropriately (ILO, 2015; ICA, 2012; WorldCo-operative Movement, 2014). The foregone discussion on firm based resources makes this theory appropriate in the study of entrepreneurial orientation on agricultural co-operatives. Co-operative societies are agencies that hold enormous potential for the entrepreneurial development within an economy, and have ability to cure the ills associated with the SMEs if they embrace entrepreneurship as a firm strategy (Develtere, & Pollet, 2008; Ministry of Trade and Industry, 1997; 2017; ICA, 2012; Shirandula, 2018).

Mohamad et al. (2015) classified firm's resources to include; stocks, buildings, machineries, equipment, factory which is used to produce goods. During the growth of a new venture, the management of inventory is an important task because too much or too little inventory can be too costly and may create unhappy customers. Entrepreneurship entails ability to identify the resources within ones environment and use the same to satisfy a need (Michael, 2009). In North Carolina, things have changed markedly due to the availability of human resource. This has led to development of regional organizations which have been created and are run by people who had spent time working in co-operative. These has led them to bloom in most parts of the country (World Co-operative Monitor, 2014; ILO, 2012). Co-operatives in North Carolina are committed to fulfilling the 6th cooperative principle of Co-operation among Co-operatives. Consequently they are building urgently needed bridges among co-operatives of all varieties and sectors. Principle 6 clearly supports the fact that "cooperatives serve their members most effectively and strengthen the co-operative movement by working together through local, regional, national and international co-operative structures (ROK, 2004; ROK, 2017). The offer of unique resources is the engine for growth of co-operative economy (International Co-operative Alliance, 2012; ROK, 2017).

The consortium co-operative, the type practiced in Uasin Gishu County is where the members of a consortium are typically individuals and the co-operative may be for any purpose which supports the members typically buying, selling, marketing, and sharing facilities or services or joint bidding for contracts, acquiring title deeds etc.

(UGISP, 2012). However, the most notable fact among the cooperatives in Uasin Gishu is that they were founded and operated by individuals, who had no prior experience of key value among co-operatives business models (ROK, 2017). Therefore planning for them to succeed, is a challenge due to poor opportunity recognition which is a must for any business to succeed .Whether establishing whatever type of co-operative, a viable commercial idea must exist (ROK, 2004, Wanyam, 2012). According to Develtere and Pollet (2009) an analysis plan is a useful tool and it consists of four sections, and equally important is the ability to marshall the necessary resources and invest them wisely to turn the idea into a new venture.

According to Cavusgil, & Knight, et al. (2013) firms can generate superior performance if agricultural co-operatives can be enhanced to create wealth. For entrepreneurial orientation to take place within co-operatives, the factors of production must be appropriately allocated by the staff. Mutinda (2003) emphasizes that entrepreneurship is the most mobile factor of production and that the fundamental functions of entrepreneurs are common to all industries. The significance of mobility of factors of production entails doing things differently, and in different places which is basically innovation, and taking risks (risk taking), being active in identifying opportunity (proactiveness) and pushing through commercialization (competitive aggressiveness) (Kuratko, 2009).

Equally, Mikes (2008), alludes that companies that succeed in turning risk into results will create competitive advantage through more efficient deployment of scarce resources, better decision making and reduced exposure to negative events. Resource Based theory was considered relevant in this study because in Uasin Gishu County, co-operatives hold a huge amount of members resources and there is need to deploy these resources more efficiently by putting it to different uses for wealth creation, proper utilization and investment which is crucial for their survival (Kotabe, 1995; Talaja, 2012).

Also, Grant (1991 1999); Waithaka (2017) emphasize, that making the resources and capabilities of the firm the foundation for its long term strategy rests upon two

premises that internal resources and capabilities provide the basic direction for a firm's strategy. The management system must give direction to the co-operatives by providing a clear vision and mission and on how the relevant resources should be utilized/ allocated (Develtere et al., 2013.) A further characterization of innovation is on organizational or management process which emphasizes that innovation, like many business functions, is a management process that requires specific tools, rules and discipline (Davila et al., 2009). While several studies have empirically confirmed that EO and performance has a link, a limited number of research studies have offered theoretical explanations of the relationship. Notably, Miller (2011); Gachengo (2017) suggests resource-based theory (RBT) (Barney, 2001) as a theoretical base for researching the EO-performance relationship.

In RBT, entrepreneurial orientation has been treated as a dynamic intangible resource that contributes to sustainable performance of organizations (Gachengo, 2017; Talaja, 2012). They also allude that innovation entails anything that is no usual but has competitive advantage to the organization. Same apply to agricultural co-operatives. The emphasis is moved from the introduction of specific novel and useful ideas to general improvement in organizational processes and procedures (Drucker, 2012). Consequently generating, and acting on such insights leads to significant organizational improvements in terms of improved or new business products, services or internal process through various trainings (Idris, 2013; Uasin Gishu County Integrated Strategic Plan, 2012). Other important resources held by co-operatives in Uasin Gishu include physical assets, movable and immovable plus human resources. Entrepreneurship involves proper combination of these resources for prosperity and wealth generation. In Uasin Gishu county, most agricultural co-operatives, despite these resources, only 34 percent are active (Uasin Gishu County Integrated Strategic Plan, (012).

The Resource Based Theory was considered appropriate because an entrepreneur as an individual or a team identifies the opportunity, gathers the necessary resources, creates and is ultimately responsible for the consequences of the organization (Carree & Thurik, 2010; Mutai, 2017). Resources entail risk taking, proactivity and being competitive. Organizations whose staffs are entrepreneurial are characterized by

growth. Accordingly, superior EO invests on better resources and consequently superior capabilities as a way of reaching higher levels of growth. Superior Entrepreneurial orientation entails innovativeness, risk taking propensity, proactivity, and competitive aggressiveness which is hypothesized in this study to have an influence performance of firms (Otieno et al., 2012; Waithaka, 2017; Mwai, 2018).

2.2.3 Situational Leadership Theory

Propounded by, Blanchard and Hersey (1969) which was called "Life Cycle Theory of Leadership" and in mid-1970s, it was renamed the Situational Leadership theory. It was first refined by Lotham, 1982, 1985, 1990) and later by McGrath and MacMillan (2000). While developing the theory, they suggested that in dynamic markets where there is increased uncertainty and competitive pressure, a new type of a leader is required. They described this as the "entrepreneurial leader." They had in mind the fact that, the fast changing markets or situations give those with an "entrepreneurial" approach the ability to exploit opportunities, to gain advantage for their organization faster than others. It emphasizes that Senior managers are ultimately responsible for providing a vision regarding what the company can be and how it can get there and that they must shape the corporate purpose (Bartlett & Ghoshal, 2010; Higdon, 2005). The theory holds that most effective leadership styles varies with the "maturity" of subordinates.

Hersey and Blanchard (1969), defined maturity not as age or emotional stability but as desire for achievement and willingness to accept responsibility. They believed that the relationship between a manager and subordinates moves through four phases as subordinates develop and mature.

Phase1:

When subordinates enter the organization, a high orientation by the manger is most appropriate. Subordinates have to be instructed on their tasks and familiarise with the organisation rules and procedures. At this stage a non-directive manager may cause anxiety and confusion among employees. A participatory employee relationship

approach would be inappropriate at this stage because according to Hersey and Blanchard employees cannot yet be regarded as colleagues.

Phase2:

As subordinates begin to learn their tasks, task orient leadership remains essential because subordinates are not yet willing or able to accept full responsibility. However, the mangers trust in, and support of subordinates can increase as the manager becomes familiar with subordinates and willing to encourage further effort on their part. At this stage mangers can start using employee oriented behaviour.

Phase 3:

At this phase the subordinates ability and achievement motivation are increased and subordinates actively begin to seek greater responsibility. The manager will no longer need to be directive (close direction might be resented). Mangers will however continue to be supportive and considerate inorder to strengthen the subordinates residue for greater responsibility.

Phase 4:

As subordinates gradually become confident self- directing and experienced the manger can reduce the amount of support and encouragement. Subordinates can then be left on their "own" and no longer need directive relationship with the manger.

According to this theory, leadership is primarily asset of skills rather than traits. These skills include the ability to direct, motivate and support subordinates, allocate resources while helping the group stay focused on the job (McGrath and MacMillan, 2000). These framework holds that anyone placed in the same position would learn and apply the same skills, and that their effectiveness would depend more on how well they learned and applied the necessary skills rather than on any inherent traits. They allude that a co-operative leader, relying on situational leadership theory could appoint almost any qualified person to a management position; provide leadership training as needed to support them in their new role. Lumpkin and Dess (1999); Razak, Zainol and Hassan (2018) shares this view that entrepreneurial orientation

can be learned just like management skills are learned, and outcome is realized in performance of enterprises.

However, successful corporate entrepreneurs tend to maintain consistent, positive beliefs and assumptions that can be summarized as entrepreneurial mindset (McGrath & MacMillan, 2000; Gökkaya & Özbağ, 2015).

For this study, while entrepreneurial initiatives are driven by the staffs, the practice within co-operative societies, is that entrepreneurship is a collective responsibility where in entrepreneurial firms, personnel at all levels should actively participate in the process of recognizing and exploiting innovative opportunities where the beginning point is the role of leaders (Kacperczyk, 2012; Wiklund & Shephard, 2011). In a radical departure from his earlier recognition of an entrepreneur as an outstanding individualist, Schumpeter says explicitly, that the term entrepreneur does not have to be one person (Clemence, 2009). According to Kouzes and Posner (2007), success of a leader depends on his best action in his leadership duties. The best action of the leader depends on a range of situational factors. When a decision is needed, an effective leader does not just fall into a single preferred style. The theory purports that the leaders' best action is influenced by three forces, which are the forces in the situation, the forces in the follower, and the forces in the leader.

The leader's style is highly variable, and even such distant events as a family argument can influence decisions made in the work place. In practice, this means that success of leaders such as leaders of Self-help groups is a function of different forces or challenges for instance forces of the situation in co-operative are the economic challenges in the group. The forces in the follower are the challenges related to the politics of the day that interfere with leadership. Finally, the forces in the leader are the socio-cultural challenges which emanate from the community and the culture of the leader.

This theory is flexible and it adapts to the existing work environment and the needs of the organization. It is not based on any specific skill of the leader; instead, he or she modifies the style of management to suit the requirements of the organization. Such a leader could lead the co-operative firm into greater heights. Accordingly the

fundamental underpinning the situational model is that there is no single "best" style of leadership (Covin & Lumpkin, 2011; Kacperczyk, 2012).

According to Mokaya (2012) effective leadership is task relevant, and the most successful leaders are those who adapt their leadership style to the performance readiness, (ability and willingness) of the individual or group they are attempting to influence and /or lead. Consequently, effective leadership varies not only with the person or group that is being influenced, but it also depends on the task, job or function that needs to be accomplished (Idris, 2013; Koech, 2012). Blanchard and Hersey (1969) characterized leadership styles in to four categories; Directing which they said is one way communication in which the leader defines the roles of the individual or group and provides the what, how, why, when, and where to do the task, Coaching – while the leader is still providing the direction, he or she is now using two-way communication and providing the socio-emotional support that will allow the individual or group being influenced to buy into the idea, supporting- this is how shared decision –talking about aspects of how the task is accomplished and the leader is providing fewer task behaviors while maintaining high relationship behavior, and delegating where the leader is still involved in decision. A number of research are directed towards understanding types of leadership styles (Kerry, 2018; Igbal, 2015; Alqatawenh, 2018) but less is known about situational leadership theory style on co-operatives which this study attempts to address. However some researchers posit that the process and responsibility is normally passed to the individual or group, the leader stays to monitor progress (Alqatawenh, 2018; Abu-Ruman, 2016).

However, Igbaekemen (2015) affirms that of these, no one style is considered optimal for all leaders to use all the time but the emphasis is on how organizations, agencies, parastatals, industries, and countries can get effective leadership style to achieve set goals. Effective leaders need to be flexible, and must adapt themselves according to the situation. Moreover, McGrath and MacMillan (2000) on turning to transactional enactment, they argue that these calls for an ability to build a vision of what future transaction sets might emerge, and then exploit whatever opportunities do emerge. The ability to forge opportunities in the face of uncertainty lies at the

heart of entrepreneurial ability. Cantillon (1734) in his classic work placed entrepreneur's function at the center of economic progress while Schumpeter(1934) specified entrepreneurship to be leading driver of economic development, that it entails doing things that are not generally done in the ordinary course of business routine. This type of leader must also handle problems innovatively and quickly in order to overcome them. This, according to studies, is highly correlated with the improvement of employee's productivity (Cnaff & Wright, 2013)

The Situational leadership theory was considered relevant for this research because it emphasizes that anybody with basic literacy skills can learn entrepreneurial skills and apply them for the betterment of the co-operatives in Uasin Gishu County (Blanchard, 2010). Facts which Nteere, (2012), agrees with and says that a variety of people with deferring personalities and from different backgrounds have emerged as effective leaders in different situations. He emphasizes that the person who becomes the leader of the work group is thought to be the person who knows best what to do and sent by the group as the most suitable leader in the particular situation. For innovativeness, risk taking, proactiveness, and competitive aggressiveness to take place, there has to be leadership in co-operatives (De Pree, 2004; Wanyama, 2012). For this study, some agricultural co-operatives may not afford to hire classic leaders, but the leaders within their co-operatives could be trained to offer classic leadership services (Blanchard, 2010; ILO, 2012). Nga'nga (2018) on the perceived influence of strategic leadership on organizational performance notes that different leadership styles affect effectiveness and performance.

According to Chebii (2016) entrepreneurial innovativeness can be directed towards achieving specific firm outcomes, including sustainability (Gundry et al., 2014). Consequently, a firm's focus on sustainability leads to a greater emphasis on long-term viability and impact, and it relies on an approach to innovation that effectively applies new processes in ways that benefit the stakeholders of the organization (Wanyama, 2008). Today's co-operatives need effective leaders who understand the complexities of the rapidly changing global environment (ICA, 2012). Blanchard (2010), there has to be someone who makes work to be done, who understands the total task to be accomplished and is able to determine new and innovative ways to

accomplish the tasks. A good leader needs to achieve a balance between the types of responsibilities in co-operative situation (Shamsuddin, & Shahadan, 2012; Rutherford, 2007). To combine the entrepreneurial aspects of the co-operatives and to convince the members to agree to the entrepreneurial undertaking calls for a situational leader who should be able to cope with competition, risk and innovativeness (Cnaff & Wright, 2013; Rauch et al., 2009).

Of the registered agricultural co-operatives in Uasin Gishu county, only 32 percent are functional this situation needs a leader, preferably an entrepreneurial leader that can identify new opportunities and make them thrive, meet the expectations of wealth creation and employment (Uasin Gishu County Integrated Strategic Plan 2012). In this study, co-operative leaders must learn some entrepreneurship skills to be successful, and effective entrepreneurial orientation requires situational leadership skills (Wanyama et al., 2009; Situma, 2009; Sharma et al., 1999; Blanchard, 2010).

However, the situational Leadership style suffers some criricisms where leaders can make decisions that are not aggressive enough, middle managers in larger firms are often overlooked despite the fact that this class of management tends to be the most involved in innovative and entrepreneurial activities in established companies. Managerial problems can hinder effectiveness and lead to various forms of stress and depression.

2.2.4 Kirzner Theory

Propounded by Professor Israel Kirzner (1973) as a theory of entrepreneurship and uses the methods of Austrian Economics to explain the function of the man who perceives and pursues economic opportunities in the face of uncertainty. The entrepreneur, in seeking his own profit, is essential to correcting mistakes in the structure of prices and remedying the sheer ignorance and error exhibited by some economic actors. Accordingly, the profits of the entrepreneur are derived from the services he performs in detecting and eliminating arbitrage opportunities, thereby allowing supply and demand for a given good to meet. This agrees with Shumpeterian (1935) theory , which he calls meeting unsatisfied need in the market.

While contributing to the theory, Stolyarov (2005) asserts that entrepreneurship is the alertness to and foresight of market conditions and it must necessarily precede actions taken in accordance with that alertness. Accordingly, Kirzner describes alertness as the fundamental quality of the entrepreneur to perceive new economic opportunities that no prior economic actor has yet recognized. The entrepreneur might foresee demand for a new product that has not hitherto been manufactured and might then decide to manufacture that good himself, detection of arbitrage opportunities on the market to sell the same factor of production for a higher price than he bought it, or recognizing that certain factors of production are under-priced and then proceeds to act on this knowledge to earn profit (Kirzner, 2015).

This theory also emphasizes on sheer ignorance of knowing or not knowing a fragment of information which breeds uncertainty in the market place and sheer ignorance caused by the economic actors.

The theory emphasizes that the entrepreneur tris to correct the situation through his constant alertness. Whereas Schumpeterian theory emphasis that the entrepreneur causes constructive destruction, Krizners' theory on the other hand recognizes that the entrepreneur continually restores sheer ignorance and error thereby improving life for all (Don & Jackson, 2002). Drucker (2012), views of entrepreneurship agrees and contributes to the theory by asserting that entrepreneurship need not be complex but one that meets the needs of people.

This theory was found appropriate in this study as the staff of agricultural co-operatives need to be alert to any opportunities arising from errors committed by other players in the economy so that they remedy and so make a profit. (Don & Jackson, 2005). Agriculture provides rich opportunities for innovation.

2.3 Conceptual framework

The study was conceptualized on the theoretical premise that entrepreneurial enterprises grow to provide jobs and reduce poverty. In the conceptual framework, shown in Figure 1, Innovativeness, Risk taking propensity, Proactiveness and Competitive aggressiveness are the independent variables that determine firm

performance. The dependent variable Performance was measured by Return on Assets (ROA), and increase in the number of employees, added assets, increased profits and sales and growth in the wealth of shareholders.

Independent Variable **Dependent Variable**

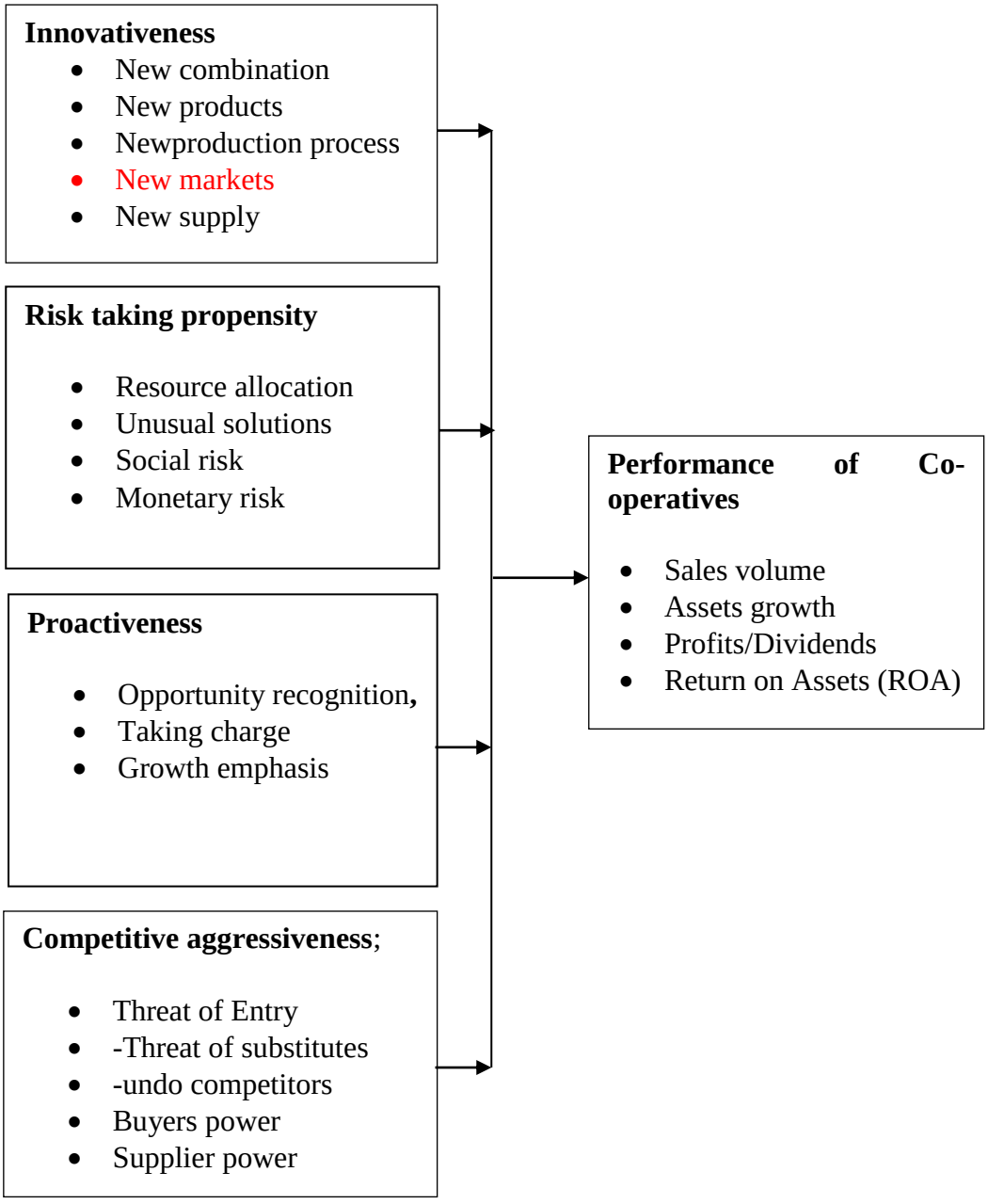

Figure 2.1: Conceptual Framework

2.4 Review of the Variables

The study analyses the influence of Entrepreneurial Orientation on performance, which is defined by innovativeness, proactiveness, risk taking propensity, and competitive aggressiveness dimensions.

2.4.1 Innovativeness

Innovation can also take the form of new or improved services, line extensions, modification and enhancements (Rodgers, 2003). He alludes that of essence, among researchers studying innovation is its effect on performance, which can be traced back on Schumpeter (1934) who looked at economic development as a process of quantitative changes, driven by innovation (Kreiser & Davis, 2010). Rauch (2009) also, linked innovativeness to organizational performance and argued that firms must be innovative to gain a competitive edge in order to survive and grow. If entrepreneurial firms grants employees freedom and encourage them to exercise creativity in bringing fourth new ideas and services, and following it through completion, enterprises could realize improved performance (Ngoze et al., 2014).

According to Osoro et al. (2012) innovation, is an important means of pursuing opportunities and so is an important component of an Entrepreneurial Orientation. Mukami (2014) also alludes, that the process of creative destruction is initiated by an entrepreneurial behavior which makes innovation an important success factor within an organization. He further emphasizes that the link between entrepreneurship and innovativeness is supported by the results of Soininem (2013) and Sumon et al. (2010) who found that innovation is among the key motives to start a business. The Schumpeterian growth theory supposes that technological progress comes from innovations carried out by firms motivated by the pursuit of profit, which is aimed at creating some new process or product that gives its creator a competitive edge (Schumpeter, 1934). In other words, if innovativeness reflects a tendency for an enterprise to engage in, and support new ideas, novelty, experimentation, and creative processes, and if individuals with self-actualization needs, desire work that is more creative and innovative, then innovativeness might be associated with needs at a higher level of the hierarchy of needs as conceived by (Maslow, 1987).

Accordingly, lower needs such as physiological and security needs usually need to be satisfied before higher needs such as self-actualization needs are activated. Therefore if earnings were not sufficient in a context such as within co-operatives to enable the more basic needs to be satisfied, then higher needs such as self-actualization which encompass innovation might not be activated (Mueller, 2012).

Cüceloğlu (2016) this means that, to some extent, self actualization needs such as the desire to manifest creative and innovative behaviors are associated with innovativeness, would largely not be expected to be found in a low income context where participants do not earn enough to meet lower order needs (Eiriz et al. (2013). In the case of co-operatives, if safety and security needs were not being met, perhaps the same effect could be found (Develtere et al., 2008). Innovativeness as a tested dimension of entrepreneurial orientation is predicted not to manifest strongly in the co-operatives and in terms of the testing of this theory it is predicted that few significant associations will be found with innovativeness in this sector (Wanyama, 2012). According to Kazungu in a report carried in Daily Nation 2017, recent studies by FAO indicate that Kenya has been ranked among the leading nations in innovative agriculture. The emphasis is on the uptake of technology (Mueller, 2012; Fatemi & Bildik, 2012). Technology does not exist to replace extension workers, or the old way of doing things, but it provides a valuable, complimentary service that enables the modern farmers to access the information they need, and whenever they need it (Wanyama, 2008). Christian (2009) carried out a research on the influence of entrepreneurial orientation on the informal sector in Johannesburg and how the individual constructs of entrepreneurial orientation influenced performance within the sector.

The study developed several hypotheses on entrepreneurial orientation constructs, i.e. there is no significant association between innovativeness, risk taking propensity, proactiveness, competitive aggressiveness and autonomy all on performance of informal sector contextual factors. The quantitative investigation of informal sector street traders was undertaken using a survey method. The empirical analysis provided evidence supporting all hypotheses. In particular results suggested that innovation efforts have a direct effect on economic performance, via contextual

factors. The specific relationships influencing EO and Entrepreneurial performance were investigated. EO was found to be associated with increased earnings along the dimensions of risk taking propensity, higher levels of autonomy, and proactiveness.

A study on co-operative governance and social performance of co-operative societies in Uganda, revealed a significant association between innovativeness and non –finance performance (Kyazze,Nkyote,& Isingoma, 2017). However, even by doing everything right to innovate managers create opportunities for new companies to take their markets away, as such, success may seem fleeting and unpredictable with new markets as a way of success (Christensen, 2019; Erich, 2013). Olowanye et al. (2016); Gamal (2011) measured innovation using the Return on Product Development Expenses (RoPDE) which is a comprehensive KPI (Key performance Indicator) for measuring the performance of product/service innovation and development and they found that innovation had a negative relationship with Return on Equity. To establish RoPDE's thresholds, a comparison is made to profitability metric, such as Operating income Margin, Earnings Before Interest and Taxes (EBIT), Operating Income before Depreciation and Amortization (OIBDA). This study measured innovativeness using new combinations/organizations, introduction of new products, introduction of new processes, and venturing in new markets (Gamal, 2011).

A comparative study of Finnish and German SMEs on the impact of EO on firm performance found that innovativeness emerges as the most significant contributor to firm performance Piirata (2012). Dzulkanan (2014) linking EO on business performance revealed that only the innovation and proactiveness constructs had a significant and positive relationship with the firms. Mwai (2018) also while on the study of the effect of EO on the performance of family owned business a case of supermarket in Nairobi county, found that innovativeness were positively significant. Kimutai (2018) carried out a study on the influence of entrepreneurial innovation on firms performance among SMEs in Kenya and established that innovativeness has direct influence on performance of Small and Medium sized Enterprises in Kenya.

Prabin Raj (2016) carried out a study on Entrepeneurial Orientation and business performance of handicraft industry in Nepalese and found no relationship between innovation and business performance.

a) New combinations and organizations

Innovativeness as a dimension of an entrepreneurial orientation reflects an important means by which firms pursue new opportunities (Otieno et al., 2012). This is congruent with the fundamental perspective taken in this study; that the pursuit of opportunity is a conception at the core of entrepreneurship as argued by Stevenson and Jarillo (2011). An entrepreneurial orientation is therefore considered to represent dimensions associated with learned behaviors reflected in the processes carried out by individuals that are fundamentally important key elements in the pursuit of opportunity (Ngotze et al., 2014). By co-operating in a formalized way, co-operative members can achieve what little fish do by swimming together and they seem much bigger than they are hence increasing the economies of scale and scope that leads to increased competitiveness and market (International Labour Organization, 2015; International co-operative Alliance 2014). Wayama (2008) advises that co-operative must principally carry out a co-operative activity as defined in its constitution. Such activity may include providing shareholders with goods or services, including processing and marketing services and matters ancillary to the activity and could become innovative if they they do it increamentally. (Stevenson, 2011) asserts that there are many growth strategies and large, diversified organizations commonly use a number of them in combination. Consequently, co-operatives may simultaneously seek growth through acquisition of new businesses, divest itself of other businesses and employ a stability strategy for some of its existing businesses (2016; Carmey, 2010). Accordingly, the basic idea underlying the Boston Consulting Group (BCG) growth-share matrix is that a firm should have a balanced portfolio of businesses such that some generate more cash than they use and can support other businesses that need cash to develop and become profitable (Wanyama, 2008; ILO, 2015).

b) New Products

The development of new products, changes in design of established products, or use of new materials or components in the manufacture of established products all entail new products innovation (Serra & García, 2013; Kahn, Barczak, Nicholas, Ledwith, & Perks, 2012). This may lead to growth, expansion and gaining competitive advantage in the market. For Agricultural co-operatives in Uasin Gishu County, there is need to innovate in this area. In this study one measure that has been used to operationalize innovation as a research variable is number of new product or service introduced in the market in the last three years to signify innovation. The survival of many organizations depends on developing and marketing successful new products and managing them throughout the product life cycle (Eiriz, Faria, & Barbosa, 2013). A study on effects of innovation strategy on firm performance in Telecoms industry found a positive relationship between product and process innovation though the relationship was insignificant while there was a positive relationship between market innovation and performance.

c).New Production Process

Serra and García, (2013) alludes that production process innovation, presents a revolutionary change in perspective which amounts to turning an organization to its head or at least on its side. Accordingly, while we cannot measure or improve hierarchical structure in absolute terms, processes have costs, time, output quality, and customer satisfaction (Fagerberg et al., 2010). Within the context of co-operatives, this latter conception is utilized to represent a measure of innovativeness in the context of trying of new production plants/variety/species using new type of fertilizer for the benefit of co-operative members (Uasin Gishu County Integrated Strategic Plan 2012; Wanyama, 2008). New production processes signify innovativeness and increased earnings would be expected. This supports Drucker (1985) cited in McCormick and Maalu (2011) who stated that systematic innovation is an entrepreneurs' tool and the innovation process should be taught and learnt (Osoro et al., 2012).

d).New Markets and Supply

Erick, Mitchell and Roth (2013) posit that firms are reluctant to take risks while managers know that innovation is the ticket to successful growth, but they can't seem to get it right. They keep improving their existing products and services to meet their best customers need only to eventually run into the innovators dilemma (Christensen, 2009, 2018). By doing everything right, they create opportunities for new companies to take their markets away, and success may seem fleeting and unpredictable (Christensen, 2018; Erich, 2013).

Kuratko (2008); Idris (2013) advice that organizations have two basic options when they seek to build new- growth businesses. They can try to take an existing market from an entrenched competitor with sustaining innovations, or they can take on a competitor with disruptive innovations that either create new markets or take root among an incumbent's worst customers with sustaining innovations (Erick et al., 2013). Further, whether they involve incremental refinements or radical breakthroughs, improve the performance of established products and services along the dimensions that mainstream customers in major markets historically are valued (Ngotze, 2014). To others, there are two distinct types of disruptive innovations that create new markets and the first type that creates a new market is by targeting non consumers, the second competes in the low end of established market (Drucker, 2012; Fagerberg et al., 2010).

2.4.2 Risk Taking

Entrepreneurs are said to be risk takers (International Labour Organization, 1990; Nteere, 2012). As cited by Wambugu (2015) risk taking firms are able to secure superior growth and long term profitability in contrast to risk avoiders (Yang, 2008; Wang, Poutziouris, & Pannikos, 2010; Ahimbisibwe & Abaho, 2013).

Risk refers to variability and it is a complex and multi-faceted phenomenon, a condition in which there is a possibility of an adverse deviation from a desired outcome from what is expected or hoped for (Hoskisson, 2017). However, entrepreneurship involves taking calculated risks in pursuit of an opportunity and the success of a business enterprise depends on the entrepreneur's ability to calculate, minimize, and take risks (Mikes, 2008). A risk situation involves potential success

and potential loss and the greater the possible loss the greater the gain (Kreiser, 2010; Wiklund et al., 2009; Price water house coopers, 2009).

Risk, entails making a choice between two or more choices whose outcomes are not known and must be subjectively evaluated. Risk taking is related to creativity and innovation, self -confidence and it is essential for success of any business (Hoskisson, 2017). Agricultural co-operatives, like all agribusinesses, operate in an inherently risky environment (ILO, 2012). While certainly not ignoring risk, most co-operatives have chosen a path of risk accommodation, in particular through the holding of internal capital reserves, against active risk management (Kreiser & Davis, 2010). Consequenly, this practice, is particularly costly for co-operative members, since co-operatives tend to be relatively capital constrained due to lack of public equity markets and their requirement to eventually pay out all earnings. Musyimi (2016) also evaluated risk taking based on perceptions towards the term risk taking and calculated risk, as well as based on a statement about exploration in business activities. Surprisingly, Hughes and Morgan (2007); Kiruki (2012) found that risk taking had a negative impact on product performance and no impact on customer performance. Facts which Preecha, (2014); Kyazze (2017) agree to and allude that capital tied up in non-productive uses can be expensive, particularly during times of high interest rates though, many co-operatives experience a greater need for efficient rates. Both traditional and innovative risk management tools provide co-operative managers, opportunities to augment their risk exposure, and subsequently the risk exposure of their members (Wiklund, 2011 Wiklund, Daidsson, Audretsch, & Karlsson, 2018; Filser, 2014; Covin, Green, & Slevin, 2006; Covin & Wales, 2012).

They also allude that the riskier the opportunity the higher the rewards therefore risk management becomes essential part of entrepreneurs (Nteere, 2012; Hoskisson - 2017; As noted by Osoro et al. (2012) certain learning related factors did potentially contributed to shaping EO and contribute significantly to increase in firms earnings in Kenya (Waithaka, 2016). Similarly, Namusonge et al. (2016) on role of risk taking on performance of firms on Nigerian Stock Exchange showed a negative relationship between risk taking and ROA and ROE.

The indicators of risk taking include; entrepreneurial enterprises having a strong propensity for taking calculated high-risks, acting boldly in a hostile environment to achieve enterprise goals and adopting a wait and see strategy to minimize making costly decisions when faced with uncertainty (Knight, 2012). As cited by Osoro et al., 2016; Landes, 2012) identified three types of risks, namely social or market risk (i.e the risk which occurs when a market crash or decline crushes the performance of investment even when the quality of the investment remains the same). Monetary risk- usually the resultant effect of inflation as a phenomenon: Inflation reduces the value of money, that is, the purchasing power of money, making firms to expend more money in production, distribution of their products or services, and consequently impact the level of profits negatively, while psychological risk, is a risk associated with debtors' inability to fulfill or honor their repayment obligations, thereby impair the liquidity position of the firm and consequently its performance. Lumpkin and Dess (1996) also identified three types of risks that businesses face in pursuing entrepreneurial activities; business risks associated with entering new markets or supporting unproven technologies; financial risks relating to the financial exposure required and the risk/return profile of the new venture. It may include borrowing heavily or committing large proportions of their resources and Personal Risks referring to the reputation effects of success or failure in the business. Success to the business entails giving the entrepreneur considerable affect over the future direction of the firm and failure can have the opposite effects.

However, Lumpkin and Dess (2001) further assert that risk-taking refers to taking calculated business opportunities when the outcome of the risk cannot be determined immediately. Consequently Similarly, Wiklund and Shepherd (2003) suggest that risk-taking orientation refers to the willingness of an entrepreneurial firm to invest resources in a venture where the outcome may be highly uncertain or unknown (Omisakin et al., 2016). Accordingly, Risk taking consists of activities such as borrowing heavily, committing a high percentage of resources to projects with uncertain outcomes, and entering unknown markets (Lyon et al., 2000). Hence, risk taking contributes to the performance of organisations, and the higher the risk, the higher the reurns.

This study on the other hand adopted resource allocation and unusual solutions as means to measuring risk taking propensity among co-operatives' staff. Other variables included taking large, bold decisions during uncertainties,emphasizing exploration and experimentation with opportunities, prioritizing risk taking by excutives, and Moreover, as observed, entrepreneurs are generally believed to take more risks than non-entrepreneurs do because they face less structural and a more uncertain set of possibilities (Martin et al., 2012). This implies that entrepreneurial firms are generally believed to take more risk than non-entrepreneurial firms and could influence performance. (Kreiser, 2010). Other variables that measured risk taking include;

a)Resource Allocation.

Kreiser (1990) emphasizes that the entrepreneurs synthesizes the different but complimentary elements of entrepreneurial behavior that have been separately developed and their response to market forces towards efficient allocation of entrepreneurial resources for prosperity.

Mikes (2008); Tatiana (2014) allude, that companies that succeed in turning risk into results will create competitive advantage through more efficient deployment of scarce resources, better decision-making and reduced exposure to negative events. Now is the time for senior business executives to begin applying a broad risk lens to the business (Mikes, 2008). Study findings by Kuratko et al. (2009) indicate, that the entrepreneurial firms are risk averse in their business practices, and strongly call into question the conventional view of entrepreneurs as risk takers and also asserts that the average entrepreneurial small businesses preferred certainty in their business relationships even if this could involve a lower level of business performance, and that research is important before making a risky decision (Shawn & Dianne, 2015; Monsen & Wayne, 2009; Musuva, 2016). According to Christian (2012) the psychological theories of locus of control, and need for achievement were associated with a moderate level of risk taking propensity, and these have been associated with higher performance by individuals. They further agree to the fact that Cantillon (1931) was the first to introduce the term entrepreneurship and the contribution of

uncertainty and riskiness of self –employment as the differentiating factor between being a hired employee and self-employed (Brown, 2014).

b).Unusual Solution;

According to Kuratko (2012) it is critical to note that, from an entrepreneurial standpoint, there are actually two sides to the risk equation, i.e, discussing what happens if the entrepreneur pursues a concept and it does not work out, which has been labeled as "sinking the boat". This is reflected in such factors as a poorly thought –out concept, bad timing, an already well satisfied market, inadequate marketing and distribution approaches, and inappropriate price levels, while the other side of the equation is called " missing the boat" risk, or the risk is not pursuing a course of action that would have proven profitable and it occurs when the entrepreneur delays acting on a concept for too long and is pre-empted by competitors or changing market requirements, i.e. being too cautious or conservative and often seeking more security in the form of additional market research, financial data, or inputs from consultants, refine the concept, put together a better resource package, and identify more effective approaches to production, marketing, and other operational concerns (Martin et al., 2012).

2.4.3 Proactiveness

Proactiveness is associated with assertiveness which in turn is viewed as a dimension of strategy making (Zhiang & Carley, 2014). The measurers of proactiveness as suggested by Morris et al. (2008) are: enterprises leading in competition and initiating actions which competitors have to respond to and adoption of a competitive posture aiming to overtake competitors (Nteere, 2012). Pro-activeness, according to Bateman and Crant (1999) is focused on accomplishment, especially on accomplishment with real impact. According to Olarian (2016) successful entrepreneurs must anticipate and prevent problems, take action regularly or be action oriented and adopt opportunity seeking strategy. Furthermore, proactive posture also involves anticipating and acting on future wants and needs in market place or space thereby creating a fast mover advantage over competitors. It also entails anticipation of future demands to create change and shape the environment.

With such a forward looking perspectives, pro-active firms are able to capitalize on emerging opportunities (Keh et al., 2007; Kai- Ping, 2011).

Accordingly, pro-activeness relates to market opportunity in entrepreneurship by seizing initiative and acting opportunistically in order to shape the environment, that is, to affect trends and, perhaps, even to create demand. The characteristics of a Proactive enterprise involve aggressiveness and unconventional tactics towards rival enterprises in the same market segment, such enterprises shape their environments by actively seeking and exploiting opportunities. Proactive firms introduce new products, technologies, administrative techniques to shape their environment and not react to it (Callaghan, 2009). Entrepreneurial firms are seen as acting on rather than reacting to their environments, and this involves leading, emphasizing growth, innovation and development and efforts to outdo the competitors and that it is concerned with implementation, taking responsibility, and ability to bring entrepreneurial concept into fruition (Lerfall et al., 2017; Crant, 2014). This view is closely related to Situational leadership theory (Crant, 2014).

Proactive behavior, is of people who take action to influence their environment, and the proactive disposition is a tendency to initiate and maintain actions that directly alter the surrounding environment. Using the language of Andrew, Thomas, Bateman and Crant (2006), proactivity is an instrumental trait because it is part of a class of behaviors that impact the environment positively. The proactive dimension of entrepreneurial orientation is about exploiting product and market opportunities, which is positively and significantly associated with increased earnings. As cited by Waithaka (2016) processes aimed at anticipating and acting on future needs by seeking new opportunities which may or may not be related to the present line of operation, introduction of new products and brands ahead of competition, strategically eliminating operations which are in the mature or declining stages of life cycle (Kreiser & Davis, 2010). Thus, proactiveness pertains to a willingness to initiate change, which found a correlation between the owner assertiveness and the CEO's assessment of business volume earnings, sales etc. and archival sales figures (Grande et al., 2011). They further assert that it is associated with leadership, and not following and as one that has the will and foresight to seize new opportunities, even

if it is not always the first to do so. Wambugu et al. (2015), on relationship between proactiveness and performance of SME in Agro Processing enterprises in Kenya, concluded that proaciveness was a significant predictor of firm performance. Gudda (2017) also found appositive relationship between proactiveness and product innovaton.

Lumpkin and Dess (2011) cautions, however that being a first entrant into a market is not necessarily a guarantee of a durable competitive advantage. facts which earlier study on proactivity agreed to and state that increased earnings might not always be predictably associated with higher levels of proactiveness but that this depends with the specific context, appropriate to proactiveness as a dimension of Entrepreneurial Orientation. This study measured proactivity through recognition of opportunity,

a) **Opportunity Recognition**;

In terms of a specific conception of proactiveness, a conceptualization of proactiveness is a continuum, whereby the opposite extreme of proactiveness is regarded as passiveness rather than reactiveness (Lumpkin & Dess, 2011). This, passiveness is the indifference or an inability to seize opportunities or lead in the marketplace. Reactiveness however is associated with a response to competitors, and is therefore different from passiveness. Passiveness is therefore expected to be associated with lower gross earnings due to there being less proactive individual to the development of market share. The development of market share is therefore considered to represent proactiveness in this work (Waithaka, 2016).

Finding and exploiting product and market opportunities are crucial to a conceptualization of proactiveness (Waithaka, 2016). Following this line of reasoning, it is predicted that proactiveness will to some degree be positively and significantly associated with increased earnings in co-operatives (Usman & Kamau, 2018). Proactiveness is an opportunity seeking behavior, forward looking perspective characterized by an enterprise introducing new products and services ahead of its main competitors and acting in anticipation of future demand (Wiklund et al., 2011). Proactiveness includes the following indicators: Enterprises which favor a strong emphasis on Research & Development and innovations, marketing a wide variety of

new lines of products and or services and making changes on products and/or service (Kuratko, 2012). This means an entrepreneurial firm that constantly scans the environment for opportunities through research and development is able to develop new products and services that are unique in the market, the result of this is attracting and retaining customers that could lead to increase in profits, sales and in the long run improve performance (Stephenson, 2011).

b) Growth Orientation;

On growth strategies, organizations usually seek growth in sales, profits, markets share, or some other measure as a primary objective (Gamal, 2011). Accordingly they may be pursued by means of vertical integration, horizontal integration, diversification and mergers and joint ventures. High levels of entrepreneurial orientation support opportunity recognition and opportunity creation (Idris, 2013; Serra & Garcia, 2013). Therefore, the recognition of an asset base to match the requirements of changing environments should enhance performance; yet being active may not necessary imply efficiency (Waithaka, 2016). An interpretation could be that proactive changes might not necessarily be efficient, or that earnings might not always be improved through proactive reconfiguration of resources if efficiency is not increased (Stevenson, 2011).

c) Taking Charge.

As reported by Stevenson (2011) that in certain context, proactiveness might not be associated with increased earnings if the specific context does not allow for proactiveness to have an effect on efficiency. According to Kuratko (2010) proactiveness is concerned with the implementation, taking responsibility, and doing whatever is necessary to bring an entrepreneurial concept to fruition. It usually involves considerable perseverance, adaptability, and a willingness to assume responsibility for failure.In pursuit of the same Bartlet and Ghoshal (2010) used the term to refer to a continuous search for market opportunities and experimentation, with potential responses to changing environmental needs and suggests that it is manifested in three ways: Seeking of new opportunities that may or may not be related to the present line of operation, introducing new products and brands a head

of competition, and strategically eliminating operations that are in the mature or declining stages of the life cycle (Shamsuddin & Shahadan, 2012)

This approach to proactiveness is one that fits with corporate entrepreneurship very well, i.e. people can intentionally and directly change their current circumstances, including aspects of their work environment and the external marketplace, and more importantly achieving commercial success or failure (Wanyama et al., 2012; Situma, 2009). This agrees with situational leadership theory (Nga'nga, 2018) where a leader is expected to adapt to changing environment to identify opportunitiea that also emerge. Equally Wambugu (2015) while on study on relationship between agro-processing enterprise revealed that proactiveness was asignificant predictor of firm performance of agro-processing SMES in Kenya.

2.4.4 Competitive Aggressiveness

According to Lumpkin and Dess (1996) this, means a firm's propensity to directly and intensely challenge its competitors to achieve entry or improve position to out perform industry rivals in the marketplace, being characterized by responsiveness in terms of confrontation or reactive action. Mikes (2008) asserts that competitive aggressiveness or competitive aggressions are terms used interchangeably and also used the same way in this research.

Also, competitive aggression as a dimension of an Entrepreneurial orientation refers to the type of intensity and head-to-head posturing that new entrants often need to compete with existing rivals (Lumpkin & Dess, 2012). In contrast to proactiveness, competitive aggression relates to market opportunities (Andrew et al., 2006). Equally Competitive aggressiveness refers to how enterprises relate to competitors and respond to trends and demand that already exist in the marketplace with regard to competitors (Prabin, 2016). As a component of an entrepreneurial orientation, also reflects a willingness to be unconventional rather than rely on traditional methods of competing which might extend to changing contexts, how things are done, or expending more resources than the competition (Kusumawardhani, Carly & Piera, 2009). In the following consideration of the literature relating to competitive aggressiveness, different conceptions are considered in terms of their expected or

predicted associations as wasfound to be a contributor of performance (Linyuru et al., 2017; Ferrier, 2017). These associations are derived with reference to the potential shaping of competitive aggressiveness by contextual factors, or predicted associations between competitive aggressiveness and entrepreneurial performance (Oscar, 2013).

For passive and low performing enterprises, whether this passivity may be a response to the low level of performance of the enterprise in the industry itself, or a cause of it is unclear (Covin & Wales, 2012). Consequently, this conception would have implications in terms of the potential shaping of competitive aggressiveness by earnings, if a low level of competitive aggressiveness was the result of lower performance. If this were so, a significant association would be expected to be found between earnings or continuance satisfaction as predictors of competitive aggressiveness. However, Covin and Covin (1990); Kiriku (2012) caution that a passive competitive orientation might place lower levels of constraints upon resources than that of an aggressive competitive orientation which is costly to the firm. Subsequently, they also appreciate that this passive competitive orientation might be more appropriate in certain contexts. Astudy by Ferrier (2017) on navigating the competitive landscape and consequences of Competitive actions findings indicate a firms sequence of competitive actions is influenced by top management team heterogeneity, past performance, slack and important characteristics of industry. Mohane (2017) also confirms that results were positively connected to abetter performance under the moderating effect of firm size, the profitability of competitive aggressiveness is context dependent. Ngoze and Bwisa (2014) also found a positive effect of competitive aggressiveness on financial performance of manufacturing firms in developing countries.

Okeyo et al. (2012) also asserts that competitive aggressiveness may be described as the number of actions taken by a firm and the time it takes a firm to respond to a competitor's action. By using this approach, studies have determined that rapid response measures of competitive aggressiveness may lead to improved performance. However, Entrepreneurship Scholars have argued that more aggressiveness is not always positive, that businesses may damage their reputation

and lose goodwill by being too aggressive and that competitive aggressiveness is a strategy best used in moderation (Kithika, 2018). Other studies have utilized , Motivation, Awareness, and Capabailty in an attempt to measure competitiveness of firms.

Applying Porters model (1993) on structural analysis of competitive forces which is based on five competitive forces and they include the threat of new entrants, the bargaining power of suppliers, the bargaining power of buyers, the threat of substitute products, and rivalry among existing firms to measure competitive agressiveness. According to Certo (2010) it is based on the insight that a corporate strategy should meet the opportunities and threats in the organizations external environment. Especially, competitive strategy should base on an understanding of industry structures and the way they change. These forces determine the intensity of competition and hence the profitability and attractiveness of an industry. The objective of corporate strategy should be to modify these competitive forces in a way that improves the position of the organization. Accordingly, Porter's competitive forces model supports analysis of the driving forces in an industry, and the stronger each of these forces is, the more established companies are limited in their ability to raise prices and earn greater profits. A strong competitive force is a threat because it depresses profits. A weak competitive force is an opportunity because it allows the company to earn greater returns. Based on the information derived from the Five Forces Analysis, management can decide how to influence or to exploit particular characteristics of their industry (Okeyo et al., 2012).

2.4.5 Performance of Co-operative Societies

According to Barney (2001) there is no way of defining performance. The ability to assess progress or performance is especially complex when it comes to entrepreneurship because it is both a way of thinking and behavior (Jelinek & Littr 1995). In today's environment, enterprise performance is a critical issue for entrepreneurs (Zulkiffli & Parera, 2011). This implies that performance is the operational ability of an enterprise to satisfy its stakeholders and must be assessed to measure an enterprise accomplishment. In organizational behavior, performance is

the core of organizational theories (Yin et al., 2014). The indicators used to measure enterprise performance are many. However the measures used in this study comprised of financial and non-financial performance measures that includes increase in sales, growth in owner's financial expectations (dividends), profits, satisfaction and number of employees increased measured subjectively (Hughes & Morgan, 2006). Non-financial indices which generally are measured from aspects of operational efficiency, growth trend and activation subscription can predict commercial perspective through reflecting process performance of firm operation (Ngoze, 2014; Tatiana, 2014). Non-financial performance could be measured from three dimensions such as the achievement of initial objective, the stability of working environment, the satisfactory degree of performance, product reputation, product quality, customer loyalty degree, customer satisfactory degree and service complaint rate (Hean & Nguyen, 2007; Lin & Wu, 2014; Liu & Liu, 2014). As for financial performance, it reflects the input-output efficiency and operational outcomes which is measured based on accountimg data of an enterprise (Hughes & Morgan, 2006). The general measurement indices include return on assets (ROA), net profit growth over the years, sales growth rate and ratio of sales (Spanos & Lioukas, 2001).

Research indicates a preference for subjective financial data (Zulkiffli & Parera, 2011). The concern being small business owners often refuse to give accurate objective performance data. Furthermore, even if one gets objective data, it does not fully represent enterprise performance, the reason being entrepreneurs may manipulate the data to avoid personal and corporate taxes (Osoro et al., 2012, Idris, 2013). As a result of this, Wall et al. (2004) suggest that entrepreneurs are encouraged to evaluate their enterprise performance through subjective measures that reflect objective measures.

Equally as observed by Toni and Tochia (2001); Osoro et al. (2012), enterprise performance can be measured subjectively as this type of data allows comparisons of relationships across the type of sector, culture and economic situations. (Otieno et al., 2012,) confirms this by pointing that if subjective measures are employed, entrepreneurs can use the relative performance of their business as a benchmark when responding. This implies that most entrepreneurs consider objective measures

of performance to be confidential and not shared to the public scrutiny. For this study, performance of co-operatives was affected by manipulation of the independent variables; Innovativeness, Risk taking propensity, Proactiveness and Competitive aggressiveness. Whether Co-operatives with stronger entrepreneurial orientations perform better is a question of this study. Mokaya (2012) researchers who have demonstrated statistically significant relationships between entrepreneurial orientation and a number of indicators of organization performance such; profits, the income-to-sales ratio, the rate of growth in revenue, assets, and employment include (Wambugu, 2016; Carmey, 2010; Gail, 2011).

Accordingly enterprise performance is a multidimensional concept, and different indicators have been used in the literature in order to measure it. Financial measures are more often used in entrepreneurial orientation research and include different measures of growth and profitability. Non-financial indicators include such company's measures as owner satisfaction, global success ratings, goals achievement, and other indicators (Rauch et al., 2009; Osoro et al., 2012).

Sales in an enterprise represent the products that go out of the enterprise and cash flows into the enterprise, good sales records are therefore very important for the efficient performance of an enterprise (Nassiuma, 2011). Poor sales could imply, fall in sales as a result of unavailability of goods at the time when the customers need them, high competition, expired products, obsolete products, and poor quality of the products offered by enterprises. Profit means net increase in the owners' wealth (Pandey, 1999). Profit in the enterprise provides the financial strength to support human resources hence increased enterprise performance (ILO, 2012). Customer retention as an indicator of performance has been described to as a relationship between relative attitude towards an enterprise and repeat patronage behavior. A situation when repeat purchase behavior is accompanied by a psychological bond and repeat purchase intentions and behaviors as a favorable attitude toward a brand in addition to purchasing it repeatedly indicating performance (Gail, 2000).

2.5 Critique of the existing literature

Research on entrepreneurial orientation constructs and its' outcomes is enormous but the influence of individual dimensions on performance is conflicticting. There is an overlap in the literature descriptions on what constitutes the appropriate dimensions of entrepreneurship orientation for different enterprises and which entrepreneurial theories are applicable (Covin et al., 2012; Soininen et al., 2012).

The initial constructs by Miles and Snow (1978, 1999) described three constructs of entrepreneurship orientation as innovativeness, risk taking, and proactiveness, while Lumpkin and Dess (2009) described five constructs adding competitiveness and autonomy on the Miles (1978) constructs. Various studies have utilized constructs selectively. Accordingly, Kiruki (2012) on relationship between entrepreneurial orientation and performance of social enterprises in Kenya utilized the first three dimensions as propounded by Miles (1978), Osoroet al. (2012) on entrepreneurial orientation effects on firm performance of small and medium enterprises in information technology sector in Kenya utilized the five namely innovativeness , risk taking propensity, proactiveness, competitive aggression and utonomy. On the other hand, Olowaye et al. (2016) on the risk taking on performance of firms in Nigeria Stoch exchange utilized one dimension risk taking propensity, Waithaka (2016) utilized all the five innovativeness, risk taking propensity, proactiveness, competitive aggressiveness and autonomy, while Usman (2018) measured the three dimensions; innovativeness, risk taking and proactiveness. They all have varied results concerning performance (Raunch et al., 2009; Abuya, 2016). With Olowaye (2016) negating results that risk taking propensity influences performance**.** This study has also selectively utilized the first four dimensions namely innovativeness, risk taking propensity, proactiveness and competitive aggression leaving out autonomy. Using dimensions selectively creates knowledge gap which this study also seeks to fill. Autonomy refers to the ability of an individual to make decisions and to proceed with actions independently, without any restrictions from the organization (Lumpkin et al., 1996; Ngotze et al., 2014). They further allude that autonomy reflects the strong desire of an individual to have freedom in the development of an idea and in its implementation. However this goes against the co-operative principles where

workers are not at liberty to pursue opportunities without the sanction of members (ROK, 2017).

Many other authors have emphasized the importance of innovation and risk taking for firm performance (Soininem et al, 2013; Crespell & Hansen, 2008). The measures of risk taking and competitive aggressiveness constructs have not been clearly presented, while autonomy is almost silent in most studies (Kiriku, 2016; Olowaye, 2016; Usman, 2018; Mukami, 2014). For risk taking propensity, Landes (2012) identified three types of risks, namely Social or market risk , Monetary risk and Psychological risks. Lumpkin and Dess (1996) also identified three types of risks that businesses face in pursuing entrepreneurial activities namely business risks associated with entering new markets or supporting unproven technologies and financial risks and personal risks referring to the reputation effects of success or failure in the business. Success to the business entails giving the entrepreneur considerable affect. The literature in entrepreneurial orientation, discusses a number of variables that potentially moderate entrepreneurial orientation - performance relationship (Gathungu, 2014). Okeyo et al. (2016) while studyng entrepreneurial orientation business development services, business Environment, and Performance employed both internal and external environment as the moderating variables. There is little consensus on what constitutes suitable moderators. Similarly, Osoro et al. (2012) while studying influence of Entrepreneurial Orientation on performance contextual factors has utilized factors such as respondents profile which include age education level, training experience etc, and found a positive relation between entrepreneurial orientation and performance. However they are not the only factors that can moderate the relationship between EO and performance. This study ascertains direct relationship without a moderator or mediator because there is little consensus on what constitutes suitable moderators or mediators. Anderson (2010) asserts that the relationship between Entrepreneurial Orientation and performance is core complicated than previous studies have implied. Otieno et al. (2012); Okeyo (2016) recommends further studies in the area of EO while still, others have posited that entrepreneurial orientation needs to be combined with other business orientations such as market orientation, learning orientation, and employee orientation for organizations to achieve optimum performance (Grinstein, 2008; Idar

& Mahmood, 2011; Wang, 2008; Otieno et al., 2012). This study is based on the premise that the findings of the relationship between EO and performance is not obvious as we have other study findings that negate what seem to be the obvious (Andersén, 2010; Kreiser et al., 2013). The study has added to the knowledge in regard to entrepreneurial orientation on agricultural co-operative societies and their uptake of entrepreneurship activities. How agricultural co-operatives have embraced EO.

Contrary to what seems to be natural scenario, it is also argued that high entrepreneurial orientation does not guarantee continued improvement on organizational performance, especially in emerging economies for lack of institutional support, organizational formalization, and experienced managers (Zhang & Zhan, 2012). Olowaye (2016) found a negative relationship between Innovation and Return on Asset (ROA), and between Innovation and Return on Equity (ROE). A separate analysis was carried out for firms in the financial services sector, where a negative relationship was also established between innovation and ROA and ROE. The results of a study conducted by Petzer et al. (2012) among financial institutions in South Africa, negates Otieno et al. (2012) among manufacturing firms operating under the EAC (East African Community) in Kenya, where there existed a positive relationship between Entrepreneurial orientation adoption and performance of manufacturing firms, and it confirms Adegbite and Abereijo (2007) assertion that Entrepreneurial orientation was at infancy stage among Nigerian firms. As noted by Osoro et al. (2012) certain learning related factors did potentially contribute to shaping entrepreneurial orientation and contribute significantly to increase in firms earnings in Kenya and it also discovered that other study findings by Bryman and Bell (2007) indicate that the entrepreneurial firms are risk averse in their business practices, and strongly called into question the conventional view of entrepreneurs as risk takers. This study has employed the Innovation theory, Situational leadership theory and Resource Based Competitive Advantage theories as other factors that could potentially contirbute to shaping the entrepreneurial activity that can contribute to improved performance. Kiruki (2016) also noted that the relationship between entrepreneurial orientation and performance of Social Enterprises in Kenya depicted low levels of entrepreneurship.

However, many researchers confirmed a positive relationship between entrepreneurial orientation and organizational performance (Arief, Thoyib, Sudiro, & Rohman, 2013; Zhao, & Yu, 2014; Karacaoglu, Bayrak, daroglu, & San, 2013; Mahmood & Wahid, 2015; Mokaya, 2012; Sharma & Dave, 2011; Zhang & Zhang, 2012). Others found a negative entrepreneurial orientation-performance relationship (Covin, Slevin, & Schultz; 1994; Wood & Khan, 2001; Shamsudin & Shahadan, 2012; Slater & Narver, 2000, Kenya, 2017).

A study on influence of proactiveness on performance among Health care units in Nairobi, Kenya, indicated that proactiveness positively influenced performance of healthcare units in Nairobi County (Mumaraki, Mukulu & Kahiri, 2018). Other study findings on influence of proactiveness on Youth led micro and small enterprises in Kenya revealed that pro-activeness was not effectively upheld among the youth entrepreneurs which could be a factor leading to poor performance of their enterprises (Bosire, Namusonge & Nyang'au, 2018). Hence proactiveness wsa found to significantly influence the performance of youth led enterprises.

On influence of competitive aggressiveness on performance of state corporations in Kenya, results indicated that competitive aggressiveness is key determinants of firm performance for commercial state corporations in Kenya (Muganbi & Rutto, 2017) . On a case study of East Africa Breweries Limited on effects of competitive strategies on performance of manufacturing firms in Kenya, findings indicate that competitive strategies; cost leadership, differentiation and focus are critical because they influence decision making and hence organizational performance (Baraza & Arasa, 2017). Similarly a study by Juma (2014) on financial risks analysis on performance of commercial banks in kenya concluded that liquidity risk and interest rate have a positive and significant effect on performance while credit risk and exchange risk have a negative and significant relationship on performance on commercial banks in kenya.

Another case study by Ahmed and Onyiego (2018) on effect of risk management of financial performance of commercial banks in Kenya also concluded that credit risk management significantly affects the financial performance of commercial banks

because of failure of counterparties to fulfil their obligations. The findings of the study also established that liquidity risk management significantly influences financial performance of commercial banks. The study finally concluded that interest rate risk management also had a significant influence on financial performance even though it had a weak positive correlation to the dependent variable

2.6 Research gaps

Although a vast amount of positive relationship between work on Entrepreneurial Orientation and performance have been produced, (Arief, Thoyib, Sudiro, & Rohman, 2013; Zhao, & Yu, 2014; Karacaoglu, Bayrak,daroglu, & San, 2013; Mahmood & Wahid, 2015; Mokaya, 2012; Sharma & Dave, 2011; Zhang & Zhang, 2012), there are others who found a negative Entrepreneurial Orientation-performance relationship (Covin,Slevin, & Schultz; 1994; Wood& Khan, 2001; Shamsudin & Shahadan, 2012; Slater & Narver, 2000). Consequently, little is known about what specific dimensions influence entrepreneurial performance in agricultural co-operatives, and under what circumstances. This study decided to assess the first four dimensions on agricultural co-operative environment ie innovativeness, risk taking, proactiveness, and competitive aggressiveness.

A study by Okeyo (2016) on Entrepreneurial Orientation, Business Development Services, Business Environment, on Performance, adopted a qualitative research design which entailed a critical review of literature on the effect of entrepreneurial orientation on firm's performance and the role that business development services, internal environment, and external environment play in this relationship. This study adopted a quantitative approach and utilized both primary and secondary data to understand the relationship between entrepreneurial orientation constructs on performance among agricultural co-operatives. Accordingly Waithaka (2016) studied manufacturing SMEs in the agro-based sector in Kiambu used education as a moderating variable. This study is on agricultural co-operatives in Uasin Gishu county.

Further, Okeyo et al. (2016) assessed the relationship with both mediating and moderating variables while this study assessed direct relationship of the study

variables without a moderator or mediator with an intention to dispute or confirm earlier assertion that there is no direct relationship between EO and firm performance (Runyan, Droge, & Swinney, 2008; Andersén, 2010). Equally Okeyo et al. (2016) carried out a critical Literature review and concluded that studies using a three factor model have reported different results with those a adopting the five factor approach. This has led to inconsistencies in the empirical results of EO on firms performance and concluded that the link between EO and performance relationship is still worthy area for further study since recommendations still exist in empirical studies. This study has undertaken a survey study research design.

This study also finds that the effect of entrepreneurial orientation on firm's performance as inconclusive and is still a subject of academic debate. There has been conflicting results as indicated by results of Olawoye (2016) on the influence of entrepreneurial orientation on performance of firms on Nigerian stock exchange which found a negative relationship between risk taking and performance while Wambugu (2016) on influence of EO on firm performance of Kenya's Agroprocessing Small & medium enterprise found a positive relationship. Kiriku (2016) on a study conducted by Pearce, Fritz and Davis (2010) amongst the religious organizations in the united States on the assessment of performance based on entrepreneurial orientation found the relationship on both one-dimensional and multidimensional base, had their findings indicating that there was positive association, between one-dimensional EO base on performance while on multidimensional basis, only innovation dimension had a positive significance influence on performance. Risk and proactiveness dimensions exhibited a negative significant correlation (Andersén, 2010; Hughes & Morgan, 2007; Slater & Narver, 2000).

The absence of an agreed single theory of entrepreneurship concept and lack of a single definition of entrepreneursip has caused a great deal of confusion in research. This has led authors to conceptualize and measure entrepreneurial orientation differently and has resulted to the lack of consistency and variations in empirical results from different studies. Some past studies have utilized various theories in their studies to explain the relationship between entrepreneurship and performance.

Consequently, other than the this innovation theory (Schumpeter, 1934), this study also utilized Resource Based theory of competitive Advantage (Grant, 1991), Kirzner (1973) theories and also borrowed the Situational Leadership (McGrath & MacMillan, 2000) theory from management domain. Another study by Mwai, Ntale, and Ngui (2018) on the effect of entrepreneurial orientation on the performance of family owned businesses used a case study research design of supermarkets in Nairobi County while this study utilized a descriptive survey design on agricultural co-operatives. It focused on Agriculture as the backbone of the economy and how entrepreneurial the sector is. Uasin Gishu county is the bread basket for the country and food sustainability is key in ensuring food security and the big four. Therefore it is important to know how these firms perform because agriculture is a flagship project for vision 2030 (ROK, 2016). A Study by Muthoga (2017) on influence of entrepreneurial innovativeness on micro-insurance uptake by micro and small enterprises in Kenya found no statistically significant relationship. Maina (2018) on mediating role of entrepreneurial orientation on the relationship between key firm factors and the performance was on coffee co-operative societies while this study is on agricultural co-operatives. According to (Callaghan, 2011) most studies have mainly focused their research on entrepreneurial orientation in profit making entities. This study assessed the employees within agricultural co-operatives whose objectives are varied such as marketing their members produce, storage of members cereals, application for title deeds among others (Birchall, 2010).

According to Kiriku (2016) a study carried out in Australia to establish whether EO exhibited by social enterprises impacted on their performance, concluded that the relationship was yet to be conclusively tested and recommended for further studies in less developed countries to validate the relationship as this studies was carried out in developed country where a majority of the citizens enjoyed economic freedom. This agrees with study by Miles, Verreynne, Eversole and Barraket (2013) carried out in Australia to establish whether EO exhibited by social enterprises impacted on their performance.

As to what has been the organizational response of co-operatives to the new economic environment into which they were suddenly plunged is yet to be

established. If co-operatives are not faring comparatively well is the basis for this research. In co-operatives, the membership, ownership, and operation is unique unlike individual sole proprietors who are free to make their individual decisions first (ICA, 2012). Equally, in co-operatives, the level of entrepreneurial uptake must be characterized by equity where the members have democratic rights in every activity and decision of the enterprise (Rok, 2004). The uniqueness of agricultural co-operatives calls for an investigation into weather entreprenurship is a factor or what makes them thrive.

2.7 Summary

This chapter covered the literature that was found to be relevant this reaerch. Specific issues that were covered were entrepreneurial orientation and the entrepreneurial constructs and their influence on performance among agricultural co-operatives. Liturature on entrepreneurial orientation focuses mainly on the fact that the phenomena results to good performance among organization. Some studies have utlsed the initial dimensions of entrepreneurial orientation; namely innovativeness, risk taking propensity, and proactivess (Miles & Snow, 1978, 1999). While other researchers have utilized all the five as propounded by (Lumkin & Dess, 1999). The entrepreneurial theories suggest that enterprises that have developed the right organizational environment can encourage entrepreneurial orientation leading to enterprise performance. These theories imply that being innovative, risk taking, proactive and competitive and having the right resources and leader within an organization is necessary for improved performance. The innovation theory gives importance to novelty in the market place, while the Situational leadership theory, suggests that in dynamic markets where there is increased uncertainty and competitive pressure, a new type of a leader is required. This leader is described as the entrepreneurial leader. It emphasizes that those with entrepreneurial approach are able to identify and explore opportunities firster than non entrepreneurial ones.

The Resource Based theory of Competitive Advantage emphasizes has also been explored and the main focus is on the importance of the resources within organization as a base upon which a strategy may be formulated. That when the

external environment is in a state of flux, the firm's own resources and capabilities may be a much more stable basis on which to define an organizations identity. Accordingly, designing a strategy around the most critically important resources and capabilities may imply that a firm limits its strategic scope to those activities where it possesses a clear competitive advantage.

An analysis of the existing literature on entrepreneurship has shown that many researchers pay attention to the concept of entrepreneurial orientation as a concept important for the effective performance of enterprises. Empirical research explaining entrepreneurial orientation concentrates on individual characteristics of entrepreneurs without considering the contexts within which it influences enterprise performance.. Equally most studies focus on descriptive and multivariate statistics that show relationship between independent and depended variable.

In the conceptual framework, the dimensions of entrepreneurial orientation were Thus, operationalized where innovativeness was measered by; new combinations, new products and production processes, new markets, and new supply. Risk taking propensity was measured using resource allocation, Unusual solutions, Social /market risks,Monetary risks, and psychological risks. Also financial risks, personal risks, and business risks were discussed. Proactiveness was measured using identity of opportunities, taking charge, and growth emphasis, while Competitive aggressiveness was measured using threat of entry of rival in the market, threat of substitutes, competition, and buyers and suppliers power.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the proposed research methodology in terms of research design the study area, sampling procedure, sample frame, methods of data collection and data analysis.

3.2 Research Design

According to Welman et al. (2009) a research design can be described as the overall plan according to which the proposed respondents of a proposed study are selected as well as the means of data collection, generation and analysis. From these, descriptions, a descriptive survey research design was adopted for this study. According to Gay as quoted by Mugenda, and Mugenda (1999), a descriptive research is a process of collecting data in order to test hypotheses or to answer questions concerning the current status of the subject in the study. A descriptive research design was used to examine the relationships (correlations) between variables (Burns & Grove, 2005; Mugenda, 1999).

Sounders et al. (2009) indicates that a survey allows the collection of a large amount of data from sizable population in a highly economical way and allows the collection of quantitative data which could be analyzed quantitatively using descriptive data and inferential statistics. This design was appropriate for this study because primary data was collected from a large area comprising various co-operative enterprises which were all observed. The study was quantitative in nature given that the observed data exists in a numerical form (Ghauri & Grønhaug, 2010). Quantitative research also known as empirical research is a means for testing objectives, and theories by examining the relationship among variables (Creswell, 2009). This study measured variables and data was analyzed statistically. The scientific method involved formulating a problem, developing a hypothesis, testing it and drawing conclusions.This design was therefore suitable for explaining the existing status of

the variables of this study at the given point in time. (Saunders, Lewis, & Thornhill, 2007: Chebii, 2017).

3.2.1 Reasearch paradigm (Philosophy)

A paradigm refers to the philosophical rationaleor justificationfor the purpose to research and use of specific data collection, sampling and analysis tools.(Creswell, 2009). This study employed the postpostivist world view which assesses the outcome of the study variables. Furthermore, the study developed knowledge through the measurement of objective data using questionnaires as main research instruments (Oates et al., 2016; Muijs, 2008). A deductive approach describes the situation whereby the researcher, on the basis of what is known in a particular domain and theoritcal considerations in relation to that field deduces a hypothesis that is subjected to empirical scrutiny (Mujis, 2007). This study was based on the proposition that relationships existed between agricultural co-operatives and performance.

3.3 Target Population

The target population for a survey is the entire set of units for which the survey data are to be used to make inferences therefore it defines those units for which the findings of the survey are meant to generalize (Cresswel, 2002). The target population was the staff of co-operatives societies in Uasin Gishu County. The employees of agricultural co-operatives are respondents for this study (Uasin Gishu County Co-operative Information, 2016). Accordingly, out of the 63 registerd co-operatives, only 32 percent are active. Studies have indicated that enterprises that have engaged in entrepreneurial orientation discourse have enhanced their performance (Stevenson & Jarillo, 1990).

This study therefore sought to determine if entrepreneurial orientation was afactor in the operation of agricultural co-operatives. The particular co-operatives were those registered with the registrar of the county government of Uasin Gishu under the ministry of Co-operatives Development and Marketing. According to the data got from the ministry of Co-operatives, Development and Marketing in Uasin Gishu,

there are 63 registered agricultural co-operative societies in the county, with a staff of 414 (ISPUG, 2015). The respondents were any of the three categories, the employees, executives or committee member plus one picked from an extension of the business for those that had another business a part from the co-operative. Where there were no salaried employees, snowball method was used to select from either the excutives or committee members (Uasin Gishu County Co-operative Information, 2016). (See appendix II). A list of all the names of the employees for each co-operative was prepared and names were picked randomly. However the researcher would also purposely chose the respondents she believed had the requisite knowledge to effectively fill the questionnaires, because they were the ones actively involved in co-operative activities.

3.4 Sample Size and Sampling Techniques

The respondents were purposively drawn from agricultural co-operatives which are mainly engaged in multiple activities, such as marketing, production and bulk purchasing. Two types of random sampling techniques were employed in this study. The first was stratified sampling technique where, co-operatives were grouped into sub counties. A list of all co-operatives and the numbers of staff within each co-operative and sub county was compiled. The individual respondents from various co-operatives were done using simple random and snowball techniques were randomly used to selecting between one and three in each category and four where there was an extension of abusiness in proportion to the number of staff. But for the co-operatives that are so developed which were twenty in number (20) four respondents were picked. They included one from lower level, middle, management and from an extension either the agrovet or from the MFIs like mpesa, KCB/Equity agents. Stratified sampling technique was to ensure samples taken was representative of the entire population under study.

Simple random sampling introduced probability sampling where each subject had an equal chance of being selected (Kothari, 2006) while snowball technique is a biased non probability sampling technique where the researcher deliberately identifies the desired characteristics in the respondents by virtue of knowledge or experience,

which was applied to select respondents where there were no employees but the excutive (Bernard, 2002; Lewis & Sheppard, 2006). Snowball technique was used in co-operatives that did not have salaried or regular employees but were managed by the committee and board members. This is a sampling technique, in which existing subjects provide referrals to recruit samples required for a research study (Kothari, 2006). It was used because some co-operatives did not have an official list of names of the employees. According to Sounders et al. (2009) snowballing is quicker to find samples, Cost effective and applicable to Sample that is hesitant to participate in the study.

Sample size Determination; The sample size was obtained using (Mora & Kloet 2010), formula for finite population as follows;

$$n = \frac{N}{\left(1 + Ne^2\right)}$$

Where,

n = Sample size

N = the size of the Population.

e = The error of 5 percentage points (95% confidence level)

n = 414

=203

$(1+414 \times 0.05^2)$

The participants met the criterion of having worked in a co-operative as employees or as executives or been a member of the committee for more than three years.

3.4.1 Sampling frame

The sampling frame defines the researcher's population of interest. It is a list of all items where the representative sample was drawn (Mugenda, 2008). In this study the sample frame was a list of the number of all employees in Agricultural co-operative societies within Uasin Gishu County which was prepared by the County Co-operative Officer and Sub County Co-operative Office (Apendix II). The sub county officers are in charge of all the registered co-operatives within their sub counties and they have all the information regarding the operations of each co-operative society plus the names and numbers of employees of each co-operative. This study obtained the list of the staff of registered Agricultural co-operative societies from which the respondents were drawn. The choice of this sector was relevant because agriculture is the back bone of the economy of Kenya. The Vision 2030 plan, has earmarked agriculture as the main sector that has the potential to generate employment and food security in the country (ROK, 2009).

There is a lot of evidence that agriculture can contribute to poverty reduction beyond a direct effect on farmer's incomes (DFID, 2015; ICA, 2012 & 2012; Wanyama, 2008). Accordingly, agricultural development which can be through co-operatives can stimulate economic development outside of the agricultural sector, and lead to higher job and growth creation. World Bank, (2010), increased productivity of agriculture raises farm incomes, increases food supply, reduces food prices, and provides greater employment opportunities in both rural and urban areas. Higher incomes can increase the consumer demand for goods and services produced by sectors other than agriculture (ROK, 2017). Such linkages (or the 'multiplier effect') between growth in the agricultural sector and the wider economy has enabled developing countries to diversify to other sectors where growth is higher and wages are better. Agricultural productivity can therefore be seen as a first step or engine of growth leading to greater income for a country (DFID, 2005; IFAD, 2011; Kenya, 2012).

Table 3.1: Population and sample sizes of the study

Sub County	No.of registered Co-operatives	No of staff in registered Agr. Cooperatives	Sample size (Prop)
Ainabkoi	11	79	39
Moiben	12	87	43
Kapseret	8	38	19
Kesses	10	71	34
Soy	15	94	46
Turbo	7	45	22
TOTAL	**63**	**414**	**203**

Ministry of co-operative and Marketing, Uasin Gishu County, (2016)

The study took a sample of 50 percent though the population was not so large. According to (Mugenda, & Mugenda, 2003) in descriptive research, a sample size of 10-50 percent is acceptable for a study. This was due to consideration of time, money, and energy that would be involved. The bias introduced by this method was delt with through defining the target population and use of a sample frame to match the sampling frame to the target population. The researcher obtained a list of the whole population and then used a sequence of numbers making sure not to draw from any letter of the alphabet more heavily than others (Mugenda & Mugenda, 2003). It was used to reduce the element of biase that increases with increase with a large sample (Kothari, 2006).

3.5 Data Collection methods

Research instrument is a tool or device used to assist the researcher to collect the necessary data. The type of instrument used by the researcher depends on the data collection method selected. The instrument must be reliable and valid.

3.5.1 Primary Data

In this study the researcher used the questionnaires, to collect the primary data. This study collected primary data which included respondents profile, innovativeness, proactiveness, competitive aggressiveness, and risk taking propensity of the staff of co-operatives within Uasin Gishu County. The Questionnaires were researcher administered by the aid of two trained research assistants as suggested by (Briony, 2010). This study used previously used items from other studies (Lundstrom & Stevenson, 2005; Morris *et al.,* 2008; Hughes & Morgan, 2006). For measuring innovativeness, Boston Consulting Group, Senior Executive Innovation Metrics Survey, of 2009 were adopted and modified. Proactivity was measured by adapting Bateman and Crant's 17 items while risk taking were developed. For competitive aggressiveness, the Porters model of competition analysis was used to developed the items. A questionnaire is a pre-formulated written set of questions to which respondents record their answers in a pre-determined order providing the researcher with data that can be analyzed and interpreted and best suited where the researcher wants to obtain standardized data (Sekaran & Bougie, 2010; Oates, et al., 2016; Swift & Piff, 2005).

The questionnaire instrument has to be particularly easy to understand and its questions have to be easy to answer (Bryman & Bell, 2016; O'Leavy, 2010). Questionnaire can establish rappor and motivate respondents, allows for doubts to be clarified, and are economical than other methods. Closed ended questions have some advantages: it is easy to process answers; it enhances the comparability of answers, and makes it easier to show the relationship between variables. In surveys, data are standardized, and comparison is easy, however it takes much time to prepare and validate (Yin, 1994). The questionnaire was the main instrument for primary data collection in this study.

The questionnaire had a total of 75 statements with five parts as shown in **(**See Appendix I). The demographic background of the respondent had 6 items. Part B contained questions relating to co-operatives performance with a total of 9 statements. Part C had 22 questions measuring innovativeness, part D had a total of

13 items relating to Risk Taking. Part E had a total of 15 items measuring Proactiveness while part F had 10 items measuring competitive aggressiveness.

3.5.2 Secondary Data

Secondary data involves using information that others have gathered through primary research (Mugenda, 2008). Secondary data tends to be readily available and inexpensive to obtain. In addition, administrative data tends to have large samples, and reliable as it has been collected over a long period that allows researchers to detect change over time. For this study Secondary data was collected through the websites, previous published articles, books, theses, conference papers, case studies and various research reports. Secondary data is more appropriate because the information already exists, is readily available, it is quick and has low cost to obtain. It helps to guide the focus of any subsequent primary research being conducted (Creswell, 2009).

3.5.3 Questionnaires

The research used Questionnaires for primary data collection. They were used to collect data on the influence of Entrepreneurial orientation. A questionnaire is a highly structured data collection technique whereby each respondent responds to the same set of questions. Because of this, questionnaires provide a very efficient way of collecting information from potentially large number of people. A five level Likert Scale was used in the questionnaire. The multiple linear regressions model was employed and it's the one which guided instrument development. The questionnaire in this study consisted of closed ended questions which were easier and appropriate to complete and analyze. The questionnaires were delivered by hand and during the filling in exercise, the researcher would be in the background to make clarifications and encourage respondents to continue filling the questionnaires (Saunders, Lewis & Thornhill, 2009). As recommended by De Vos et al. (2011), respondents were encouraged to fill the questionnaires on their own (Maree, 2007). The questionnaires are cheaper and can be applied on a large number of respondents over a relatively short period of time. The questionnaire in this study had six parts with a total of 75 items. (See appendix I).

3.6 Data Collection Procedures

It's the procedure by which the researcher obtains the information. A letter of authority from National Commission for Science, Technology and Innovation, (NACOSTI) and an introduction one from JKUAT were attached to each questionnaire, stating clearly the purpose of the study. Primary data was collected through questionnaires by the enumerator, who were fluent in English, Kiswahili and Kalenjin dialect. The cross sectional data was collected from respondents of the target population through the enumerators. They would issue questionnaires, explain to the respondents the items and give them between 15 and 20 minutes to fill them. Collecting them immediately on the same day helped to realize 100% return. Secondary data was obtained from institutional libraries, the internet and the Ministry of Co-operatives, Development and Marketing in Uasin Gishu county.

3.7 Pilot Study

The purpose of conducting a pilot study was to examine the feasibility of an approach that is intended to be used in a larger scale study. It was a small-scale test of the methods and procedures to be used on a larger scale (Porta, 2008). This applies to all types of research studies. A pilot test was undertaken in order to refine the items in the questionnaire. According to Cooper and Schindler (2018), a pilot test is conducted to detect weaknesses in design and instrumentation and provide proxy data for selection of probability sample. Equally, pilot testing helped in determining the time a respondent can take to answer the questions, (Ghauri & Gronhaug, 2010). A pilot study was conducted in Kiminini sub county of Trans-Nzoia county, Kenya.

The pilot study population, from which the sample is formed, must be the same in characteristics as the main study. The participants in the pilot study were not entered into the full-scale study because they may change their later behaviour if they had previously been involved in the research (Cocks, & Torgerson, 2013). This is the reason pilot study was carried out in Kiminini Sub county of Trans Nzoia. The total registered co-operatives in Trans Nzoiah County is 234 while the active ones are 110. The rest are dormant with a staff of about 400 (CIDP, 2013-2018).This

population has similar characteristics with the study area of Uasin Gishu county. According to Connelly (2008), a pilot study sample should be at least 10% of the sample projected. For this study, 30 respondents were selected which represented 15% of the sample as suggested by William (2006) and Saunders *et al.* (2009). Also the questionnaire was critiqued by members of researchers' academic tutorial group who gave valuable suggestions and estimated that the time for completing the questionnaire was approximately 15-20. Piloting was also done in order to test the validity and reliability of the questionnaire and to determine if there were any flaws in the instrument.

The results of the pilot tests assisted the researcher in determining the appropriate method for data collection and the proportion of cases to be included in the study. The pilot study did not raise any major questions and the respondents did not have any difficulty in understanding and answering the questions. During the piloting, respondents were encouraged to make suggestions concerning the design, clarify questions and any other observations necessary.

3.7.1 Validity

Validity is the degree to which results obtained from the analysis of the data actually represents the phenomenon under study and the extent to which an instrument asks the right questions in terms of accuracy (Mugenda & Mugenda, 2003). Also validity is the quality attributed to proposition or measure of the degree to which they conform to established knowledge or truth, and an attitude scale is considered valid if it measures what it ought to measure (Paton, 2000).

3.7.2 Content validity

This was determined through piloting and responses were checked against research objectives and also the researcher used the experts in the department of entrepreneurship, leadership and management, who are the supervisors of this research to scrutinize the items in the data collection instruments to ensure that it measured what the researcher intended to capture (Mugenda,1999). The constructs of innovativeness, risk taking, proactivity and competitive aggressiveness were

operationalized and also attempted to develop item content that accurately capture them.

Construct Validity; Assesses the extent to which the test or measurement strategy measures a theoretical construct/trait (Kaufman, 2004). The study assessed the theories and compared them with study variables. Construct validity was ensured by using the correct theories which are Innovation, Recurce Based Theory of Competitive Advantage and Situational leadership theories. They were found appropriate as they emphasize devaiating from old ways of transacting, while using the available resource to improve enterprise performance through proper leadership.

3.7.3 Internal Validity

This was determined through use of random assignment where any single individual can end up in the experiment. For this case the simple sampling technique was used. The respondents were selected randomly to participate in the exercise of responding to questions in the questionnaire. In cases where the co-operatives were active, respondents were selected randomly as long as they met the criterion of selection while in cases of dormant co-operatives, the researcher would through snowballing randomly select the appropriate respondents from the three categories of workers, i.e; one from each of the following categories, management, excutive, or middle/ lower cadres and in cases of developed co-operatives, four respondents were selectect where one additional was selected from the extended businesses of the co-operative like Agrovet, shop or from a microfinance, commonly known as mobile money like mpesa, or bank agents. This helped to avoid introducing random bias (Kothari, 2006).

Also this study adapted and used the already used instruments for Innovation and Proactiveness which are attractive to researchers because they tend to have established reliability and validity. Kaufman (2004) advises that always consider existing instruments as data collection method before developing one of your own. They can be adapted for awide variety of topics and questions and they also yield interval or ratio data.

3.7.4 Reliability of the Study

Reliability in quantitative analysis refers to the consistency, stability and repeatability of results, if consistent results have been obtained in identical situations but different circumstances (Twycross & Shield, 2004). This study employed the use of Cronbach's Alpha to check for reliability of the items of study. The study employed the use of Cronbach's Alpha, where questionnaires were administered on 30 respondents which is 15% of the sample population. A minimum sample size of 30 questionnares for statistical analysis provided a useful rule of the thumb for the smallest number in each category and it is advised that where the population is less than 30 the researcher should take the entire population as suggested by Saunders *et al.* (2009). The sample of 30 was used in pilot study.

To test for reliability, the Coefficient of determination was computed and all the variables yielded above 0.6. This was used to determine the internal consistency of the scales. Internal consistency, is the consistency of people's responses across the items on a multiple-item measure. In general, all the items on such measures are supposed to reflect the same underlying construct, so people's scores on those items should be correlated with each other. If people's responses to the different items are not correlated with each other or are not homogeneouse, then it would no longer make sense to claim that they are all measuring the same underlying construct. This measure would be internally consistent to the extent that individual participants' bets were consistently high or low across trials. Petty, Briñol, Loersch, and McCaslin, . (2009). The coefficient for internal consistency ranges between 0-1. If it 'is close to 0.5, then the consistency is week, and if it is above 0.7, it means it is reliable and can yield the same results over and over. The larger the reliability coefficient, it means the more repeatable or reliable the test scores. However Field (2005) cautions not to select or reject a test solely based on the size of its reliability coefficient" and emphasizes that to evaluate a test's reliability, one should consider the type of test, the type of reliability estimate reported, and the context in which the test will be used. To test for reliability of the questionnaires, the internal consistency approach was considered, which was measured using Cronbach's alpha, whose values were all

above <0.6 (Field, 2005). As much as they were weak they were used. Meaning that its applicability may be limited and with caution.

Cronbach's Alpha formula;

$$\alpha = \frac{N \cdot \bar{C}}{\bar{V} + (N-1) \cdot \bar{C}}$$ =30*

N= Number of items

C-bar=Average inter item covariance among the items.

V-bar=Average Variance

A reliability Coefficient of 0.8 or high is considered acceptable in most social science research situations (Kerlinger, 1973). George and Mallery (2003) however provide the following rules of thumb for Cronbach's alpha: > .9 – Excellent, .8 – Good, > .7 – Acceptable, > .6 – Questionable, > .5 – Poor, and < .5 – Unacceptable" and say that if your Cronbach's alphas are between .6 and .7 is not a big problem. Consequently warns that, deletion of the relevant questions in order to increase the Cronbach's alpha can lead to a risk of losing content validity. He instead advices the use of SEM, as the most useful test of the composite reliability index (Rho) that is, according to some authors, becomes more sensible of Cronbach's alpha. However, it also has some issues and that is the reason, this study could not adopt SEM. Eg, the items mus be above 25, it does not address causation, while this study was interested in finding out the relationship between Entrepreneurial Orientation and performance and as to weather one causes the other to occur.

3.8 Data Analysis and Presentation

The purpose of data analysis was to apply reasoning to understand the gathered data with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation, Zikmund et al. (2010). In view of this description, data analysis in this study was guided by the objectives of the research and the

measurement of data collected. Data analysis involved editing, coding, classification and tabulation.

3.8.1 Quantitative analysis

Raw data was edited to detect errors, omissions and to correct them where possible. This involved a careful scrutiny of completed questionnaires. On the other hand, coding entailed assigning numerals so that the responses could be put into few manageable categories and prepare for data for analysis.

Descriptive and inferential statistics were applied to describe the main features of the collected data in quantitative terms. Quantitative values were assigned to entrepreneurial orientation dimensions. Data was organized in, percentages, means, figures and tables. To establish whether there was any relationships between entrepreneurial orientation and agricultural co-operative enterprise performance, data analysis and presentation was carried out by use of SPSS and Inferential Statistics was applied in calculation of Regression coefficients in order to find out the degree of prediction of dependent variables as the changes in the independent variables take place. The results of the analysis were then used to explain the patterns emerging from the inferential statistics. The test was done at 5% significant level. The assumptions of multiple regressions were first tested to determine if the data is appropriate for carrying out a Multiple Regression analysis. The multiple regression was applied to test the significance of one variable to the other as shown in the model below;-

$$\mathbf{Y=\beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e}$$

Where;

$\mathbf{B_0}$, $\mathbf{\beta_1}$, $\mathbf{\beta_2}$, $\mathbf{\beta_3}$, and $\mathbf{\beta_4}$ are regression coefficient to be estimated.

$\mathbf{X_1}$= Innovativeness,

$\mathbf{X_2}$=Risk Taking Propensity,

$\mathbf{X_3}$ = Proactiveness

$\mathbf{X_4}$= Competitive aggressiveness

The purpose of analyzing data is to apply reasoning to understand gathered data with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation, Zikmund et al. (2010). Data analysis was guided by the onjectives of the study.Factor analysis was used to establish the appropriateness of the questionnaire constructs. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was conducted to determine whether adequate correlation exists between the individual items contained within sections of the questionnaire.

The first objective was to establish the influence of innovativeness on performance of agricultural co-operative societies in Uasin Gishu County. Several items from the questionnaire measuring innovativeness were used to get the information on the innovativeness. A five-point Likert scale (1 = strongly disagree 2 = disagree 3 = Neutral disagree 4= agree 5 = strongly agree) was used for scoring. Factor analysis for innovativeness used Principal Component Analysis (PCA) extraction method to find if the values were greater than 0.5. Cronbach's alpha for the items was used to determine reliability of the instrument by giving values > 0.7. The PCA extraction method was meant to reduce data from the original measures, while still maintaining all the information contained. The influence of innovativeness on performance was then analyzed by regression analysis to determine if there existed arelationship.

Objective two was to determine the influence of Risk taking propensity on Performance of agricultural co-operative societies in Uasin Gishu County. Several items from the questionnaire measuring risk taking were used to get the information on the risk taking. A five-point Likert scale (1 = strongly disagree 2 = disagree 3 = Neutral disagree 4= agree 5 = strongly agree) was used for scoring. Factor analysis for risk taking used Principal Component Analysis (PCA) extraction method to find if the values were greater than 0.5. Cronbach's alpha for the items was used to determine reliability of the instrument by giving values > 0.7. The PCA extraction method was meant to reduce data from the original measures, while still maintaining

all the information contained. The influence of risk taking on performance was then analyzed by regression analysis to determine if there existed arelationship.

Objective three was to evaluate the influence of Proactiveness on Performance of agricultural co-operative societies in Uasin Gishu County. Equally several items from the questionnaire measuring proactiveness were used to get the information on the proactiveness A five-point Likert scale (1 = strongly disagree 2 = disagree 3 = Neutral disagree 4= agree 5 = strongly agree) was used for scoring. Factor analysis for innovativeness used Principal Component Analysis (PCA) extraction method to find if the values were greater than 0.5. Cronbach's alpha for the items was used to determine reliability of the instrument by giving values > 0.7. The PCA extraction method was meant to reduce data from the original measures, while still maintaining all the information contained. The influence of proactiveness on performance was then analyzed by regression analysis to determine if there existed arelationship.

Objective four was to examine the influence of Competitive aggressiveness on performance of agricultural co-operative societies in Uasin Gishu County. Several items from the questionnaire measuring competitive agression were used to get the information on the competitive aggressiveness among agricultural co-operatives within Uasin Gishu County. A five-point Likert scale (1 = strongly disagree 2 = disagree 3 = Neutral disagree 4= agree 5 = strongly agree) was used for scoring. Factor analysis for innovativeness used Principal Component Analysis (PCA) extraction method to find if the values were greater than 0.5. Cronbach's alpha for the items was used to determine reliability of the instrument by giving values > 0.7. The PCA extraction method was meant to reduce data from the original measures, while still maintaining all the information contained. The influence of competitive aggressiveness on performance was then analyzed by regression analysis to determine if there existed arelationship.

3.8.2 Descriptive Statistical Analysis.

Descriptive analysis were used to describe the demographic profile of target respondents in frequency and percentage of the sample characteristics in the form of tables and written explanations as well as central tendencies measurement of

constructs that included the mean and standard deviation. These demographic profiles consist of gender, age, and education profile for co-operatives which included their sale point, location and type of co-operative not withstanding the fact that the co-operatives in Uasin Gishu county engage in multpe activities. Other descriptive analysis was for the variables of the study which included; influence of innovativeness on performance, influence of risk taking on performance of agricultural co-operatives, determining the influence of proactiveness on performance of agricultural co-operatives, and the influence of competitive aggressiveness on performance of agricultural co-operatives within Uasin Gishu County.

3.8.3 Inferential Statistical Analysis

The hypotheses were tested using correlation analysis to show the strength of relationships among variables and the multiple regression model to test the significance of the independent variables

3.9 Measurement of Study Variables

Study variables to be measured were independent variables and dependent variables. The independent variables include; Innovativeness, Risk taking propensity, Proactiveness, and Competitive aggressiveness all measured using a five point likert type scale measurement. They were analysed as to their influence on performance of agricultural co-operative societies in Uasin Gishu County. Performance was determined using; increased sales volume, added assets, high profits, improvement in dividends pay out, and expanded market share.

3.9.1 Independent Variables

The independent variables for this study included; innovativeness, risk taking propensity, proactiveness, and competitive aggression. The study measured innovativeness using items adopted and modified from (Boston Consulting Group, Senior Executive Innovation Metrics Survey (2009). Risk taking entailed, resource allocation, and unusual solutions as measuring items. Proactivity was measured by

adapting Bateman and Crant's 17 item measure, where responses were indicated on a 5 point likert scale whose reliability estimates range from .87 to .89. Kaufman et al. (2004), recommends using existing instruments for data collection as they are attractive because they have established reliability and validity and they eliminate the need to develop and validate an instrument from scratch. They can be adaped for awide variety of topics and questions and they also yield interval and ratio data. Competitive aggressiveness entailed measures described by Portas Model of competitive analysis Certo and Peter (2012) where threat of entry in the industry, availability of substitutes, and ability to undo competitiveness were measured.

3.9.2 Dependent Variable

The dependent variable for this study was the measurement of performance. Co-operative performance was measured using measures developed previously by Hughes and Morgan (2006) and included increase in sales, owners financial expectations, profits, increase in the number of employees. However, this study adopted few measures and they included, Return on Assets, increased number of employees, and added profits.

3.10 Regression Model Diagnostic Tests

A regression diagnostic tests seeks to assess the validity of a model (Somekh & Lewin, 2005). The main aim of regression modeling and analysis is to develop a good predictive relationship between the dependent (response) and independent (predictor) variables. Regression diagnostic plays a vital role in finding and validating such a relationship (Krishnan, 2014). When assumptions are violated accuracy and inferences from analysis are affected (Antonakis & Dietz, 2011). This study assessed assumptions by use of parametric statistical methods to produce relevant output, before carrying out multiple regressions as a prerequisite before testing the hypotheses of the study.

3.10.1 Linearity

Linearity means the correlation between variables, which is represented by a straight line. Keith (2006) argues that linearity assumption is the most crucial of all the assumptions as it relates to the bias of the results of whole analysis. It is crucial to test the relationship of the variables to identify any departure that may impact the correlation. If linearity is violated, all the estimates of regression coefficients, standard errors, and tests of statistical significance may be biased. When bias occurs it is likely that it may not reproduce the true population values. If the value significantly deviates from linearity >0.05, then the relationship between the independent variable are linearly dependent while on the other hand if the value significantly deviates from linearity <0.05, then the relationship between the independent variables with the dependent is not linear. Scatter plots were also used to asses the linearity in this study and they were not widely scattered indicating linearity.

3.10.2 Normality Test

Normality test is a prerequisite for many statistical tests because normal data is an underlying assumption in parametric testing..

Saunders *et al*. (2009) said that normality test is used to determine whether the data sets are normally distributed. In this study, normality was tested by using Q-Q plot and the histogram and the departure from normality was not so big. Hence indicating the presense of normality in the data. This makes it suitable to be used in regression analysis. (appendix IV).

3.10.3 Heteroskesdasicity.

The study sought to test for heteroskedasticity between the variables of the study . Entrepreneurial orientation composed of fourindepenedent variables measuring agricultural cooperatives Performance. Hetereskedasticity is useful in examining the difference that exists in the residual variance of the observation period to another period of observation.

3.10.4 Multicollinearity

Multicollinearity means that two or more of the independent variables are highly correlated and this situation can have damaging effects on the results of multiple regressions. The largest VIF should not be greater than 10, and the tolerance value should not be much higher than 1 (Field, 2005). Agood regression model should not correlate between the Independent Variable (multicollinearity).

3.11 Control Experimental Biase

The following quality control measures were put in place during data collection to ensure credibility, acceptability and audibility of the data;

Holding study procedures constant and standardized. Having uniform scripts for interacting with research participants, through scripting out appropriate responses for researchers to follow leading to standard definition of variables (Leavy, 2004). Also minimizing multiple roles of research assistans within the study, conducting the collection audits and ensure accuracy of data entry. This helps to determine whether mistakes were made in the data collection and entry points.

Accordingly, involving multiple researchers and supervisors in the planning of a research, questionnaire construction, the research design and generation of hypotheses brings diversity of views and opinions which minimizes the likelihood poorly constructed research design (Kaufmans & Kaufman, (2005). Similarly, randomization of participants selection increases external validity.

Table 3.2: Measurement of Indepenedent Variable and Their influence on performance of agricultural Co-operatives

Independent Variable	Description Measurement	Influence of IV on performance of Agriculturalcooperatives
Innovativeness	5Likert Scale Questions Added markets New Combinations New Production processes Venturing in new marksts New sources of supply	Added Number of Employees+ Assets + Increases in Annual sales volume+ Annual profit/ + Capital growth+ Return On Assets
Risk Taking Propensity	5 Likert Scale Questions Resources allocation Unususal Solutions Social /market risks Monetaryrisks/financial risks Business risks Personal risks/psychological risks	Added Number of Employees+ Assets +Increase in Annual sales volume + Annual profit + Capital growth/ dividends+ Return On Assets
Proactiveness	5 Likert Scale Questions Identify opportunities Taking charge Growth orientation Growth orientation	Added Number of Employees+ Assets + Annual sales volume+ Annual profit/ + Capital growth+ Return On Assets
Competitive Aggressiveness	5 Likert Scale Questions Threat of entry Threat of subsitutute Undoing competitors Buyers / suppliers power	Added Number of Employees+ Assets + Annual sales volume+ Annual profit/ + Capital growth+ Return On Assets

3.11.2 Model specification

The model specification was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \quad \ldots\ldots\ldots\ldots \ldots\ldots\ldots\ldots\ldots\ldots 3.4$$

Where:

Y = Performance, β_0 = Intercept, X_1-Innovativeness, X_2-Risk Taking X_3 - Proactiveness, X_4 = Competitive Aggresion

$\beta_1 - \beta_8$ = coefficients of regression and ε = error term

Table 3.3: Summary of Hypotheses Testing

H_o	Statement	Test Statistics	Critical values/Decision Point
H_{o1}	There is no statistically significant relationship between innovativeness and performance of agricultural co-operatives in Kenya.	β_1, p_1, F, R^2	P $\leq$ .05 significant
H_{o2}	There is no statically significant relationship between risk taking and performance of agricultural co-operatives.	β_2, p_2, F, R^2	P$\leq$.05 significant
H_{o3}	There is no statistically significant relationship between proactiveness and performance of agricultural co-operatives.	β_3, p_3, F, R^2	P $\leq$ .05 significant
H_{o4}	There is no statistically significant relationship between competitive aggressiveness and performance of agricultural co-operatives.	β_4, p_4, F, R^2	P$\leq$.05 significant

CHAPTER FOUR

FINDINGS, INTERPRETATIONS AND DISCUSSIONS

4.1 Introduction

This chapter sought to analyze the data collected relating to the specific objectives of the study and the dependent variable. The chapter contains reliability results, the response rate, demographics of the respondents, and demographics of the co-operatives, analysis of the dependent variable: performance, and analysis of specific objectives: innovativeness, risk taking, proactiveness and competitive aggressiveness. The results, interpretations and the discussion of the findings of the study are presented.

4.2 Response Rate

The study targeted staff of agricultural co-operatives in Uasin Gishu County. The study sampled 203 respondents and the researcher managed to collect data from all the 203 respondents. The method of giving and waiting for the questionnaire and repeat visits for those co-operatives where the respondents were not available helped to achieve 100% percent response rate. The motivation of rewards which the co-operatives were receiving from the county government worked for this study and made the respondents to be willing to fill the questionnaire making the response rate to be a percent 100%. According to the Center for Innovation in Research and Teaching, (2015), individuals will participate in a survey if they believe that the benefits of participation outweighs the costs. Levereage saliency theory posits that when deciding to participate individuals assess a survey features (e.g., topic, monetary incentive, organization) and their prominence in the request to participate (Groves, Singer, & Corning, 2000). Therefore, the effort exerted by a survey researcher plays a significant role in whether an individual participates in the survey, as incentives, customizing recruitment messages, and increasing the number of survey invitations generally improves response rates (Groves, Presser, & Dipko, 2004). Accordingly, a survey's response rate is a product of the characteristics of potential respondents, the survey, and their interactions.

4.3 Pilot Test

A pilot test was undertaken in order to refine the questionnaire so that respondents did not have problems in answering the questions and subsequently no problems in recording and analyzing the data. This enabled the researcher obtain assessment of the questions validity and the likely reliability of the data that was collected (Saunders et al., 2009; McMillan & Weyers, 2010). Equally, pilot testing helped in determining the time a respondent could take to answer the questions, it assisted in identifying vague questions, provided suggestions on the improvement of the instruments, identified deficiencies; and provided clarity of the instructions (Ghauri & Grønhaug 2010). Equally, questions that could have been unclear were corrected and were clear.The time for filling one question was between 15-20 minutes. Pilot test in this study involved testing the validity, objectivity and clarity of the questionnaire.

Firstly, the questionnaire was critiqued by members of the researcher's academic tutorial group who gave valuable suggestions and estimated that the time for completing the questionnaire would be approximately 15-20 minutes. Secondly, a random sample of 30 co-operatives staffs in Kiminini subcounty of Trans Nzoia County, Kenya was selected from the entire population. The respondents were selected from the six wards of the county, namely Kiminini, Waitaluk, Sirende, Hospital, Nabiswa, and Sikhendu. Six co-operatives were selected where the 30 respondents were carefully selected tofill the questionnaires from each where all the three categories were considered, i.e two from any cadre, low, middle and management. Saunders *et al.*, (2009); William, (2006) posits that pilot study area should not be included in the main study lest the respondents change their answers. Kiminini Subcounty is the second largest subcounty and town in Trans Nzoia and it has characteristics that are similar with the study area, Uasin Gishu county, (Saunders *et al.*, 2009; William, 2006).

The foundation of Kiminini's economy is agriculture, due to the presence of large parcels of privately owned land that are basically under agricultural use e.g. for livestock farming, commercial forest farming and food and commercial crop

growing. Many of the commercial functions in the town are related to agriculture, such as small scale farming, retail trading, transport of agricultural produce, maize selling, tractor leasing and saw mills. The construction of a warehouse for maize drying and storage at Kiminini town, boosts business and assist farmers to make better returns as it allows them store their produce till prices go up (Trans Nzoia Integrated Strategic Plan, 2017). Tran Nzoia county has similar characteristics with the area of study, therefore , Kiminini subcounty was randomly selected from the other six subcounties for the purpose of pilot study. The pilot test did not raise any major questions and the respondents did not have any difficulty in understanding and answering the questions.

Table 4.1: Pilot Reliability Statistics Summary

Cronbach's Alpha Reliability Test Results

Variable	Cranach's Alpha	No. Items	Reliability Status
Innovativeness	0.745	15	Reliable
Risk taking propensity	0.645	5	Reliable
Proactiveness	0.940	10	Reliable
Competitive aggressiveness	0.744	15	Reliable

Cronbach's Alpha is regarded as one of the most important reliability estimates. It measures internal consistency (reliability) by determining the degree to which instrument items are homogeneous and reflect the same underlying construct (s) (Muijs, 2008; Sekaran & Bougie, 2010). It detects whether the indicators of a construct, also known as variables, have an acceptable fit on a single factor.

The reliability statistics for this study as indicated in tables 4.4, 4.5, 4.6 and 4.7 were all above 0.60. A Cronbach's Alpha value of above 0.60- 0.70 is regarded as an indication of reliability (Muijs, 2008; Sekaran & Bougie, 2010). Cronbach's Alpha analysis is appropriate when individuals respond to items on multiple levels. It is

particularly useful for interval type of data mapping rule, i.e. 1-Strongly disagree, 2-Disagree, 3- Not sure, 4- Agree, to 5- Strongly agree, used to measure empirical responses of respondents in the pre-test - post-test observations of the study.

Field (2005) cautions that in books, journal articles, and people report that a value of 0.7-0.8 is an acceptable value for Cronbach's alpha and that values substantially lower indicate an unreliable scale. However Kline (1999) notes that although the generally accepted value of 0.8 is appropriate for cognitive tests such as intelligence tests, for ability tests a cut-off point of 0.7 is more suitable. He goes on to say that when dealing with psychological constructs, values even below 0.7 can realistically be expected because of the diversity of the constructs being measured.

4.3.1 Pilot Reliability Analysis on dependent variable

The study sought to examine responses on performance measures employed by co-operatives according to responses by the employees. The findings were as presented

Table 4.2: Rotated Factor Matrix for Performance Measures

Rotated Factor Matrix[a]		
	Factor Loading	Factor Comment
Amount of Dividends payout	0.951	Retain
Size of company assets	0.951	Retain
Profits made by the company	0.935	Retain
Sales volume changes	0.872	Retain
Increase in the size of Market Share	0.816	Retain
Decrease in the number of operating cost	0.159	Expunge
Increase in the number of business units	0.451	Expunge
Decrease in the amount of liabilities	0.079	Expunge
Increase in the number of new members	0.315	Expunge
Production of Related Products	0.314	Expunge
Retrenchment of employees	0.226	Expunge
Salaries of the employees	0.371	Expunge
Entering into new markets	0.369	Expunge
Years in operation	0.292	Expunge
Extraction Method: Maximum Likelihood.		
Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 10 iterations.		

The factor loadings from the factor analysis revealed that the items to retain were, amount of dividends payout (0.951), Size of company assets (0.951), profits made by the company (0.935), sales volume changes (0.872) and increase in the size of market share(0.816). The other items in the questionnaire were all expunged because they did not meet the loading criteria of 0.5.

Table 4.3: Correlation Results From Secondary Data on Performance

Correlations			
		2015/2016	2016/201
Operating Costs	Pearson Correlation	-0.1629	-0.3437
	Sig. (2-tailed)	0.002	0.003
	N	32	32
Sales Volume	Pearson Correlation	0.7806	0.7093
	Sig. (2-tailed)	0.003	0.000
	N	32	32
Dividends Pay out	Pearson Correlation	0.0920	0.8490
	Sig. (2-tailed)	0.340	0.000
	N	32	32
Market Share	Pearson Correlation	0.7875	0.7976
	Sig. (2-tailed)	0.004	0.0002
	N	32	32
Profits	Pearson Correlation	0.119379	0.00121
	Sig. (2-tailed)	0.002	0.000
	N	32	32
Size of Assets	Pearson Correlation	-0.02563	-0.01708
	Sig. (2-tailed)	0.000	0.003
	N	32	32
Debt / Liabilities	Pearson Correlation	0.111528	-0.13255
	Sig. (2-tailed)	0.002	0.000
	N	32	32

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

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

The study findings indicated that operating cost had a significant relationship on performance for the year 2015/2016 ($p = 0.002$) and 2016/2017 ($p = 0.003$). The relationship however was weak in both cases as was indicated by the person correlation values, sales volume had a significant relationship on performance for the

year 2015/2016 (p = 0.003) and the 2016/2017 (p = 0.000). These values were found to be strongly correlated as indicated by the person correlation values (p >0.5)

The study findings also indicated that dividends did not have significant relationship on performance for the year 2015/2016 (p = 0.340) but there was a significant relationship for the year 2016/2017 (p = 0.000). The variation was regarded insignificant, while market share had a significant relationship on performance for the year 2015/2016 (p = 0.004) and the 2016/2017 (0.002) the correlation was also strong as indicated by the person correlations values, profits had a significant relationship on performance for the year 2015/2016 (p = 000) and the 2016/2017 (p = 0.003). These ratios were however negative, while the study findings indicated that size of assets had a significant relationship on performance for the year 2015/2016 (p = 0.002) and 2016/2017 (p = 0.000) though these ratios were also negative

4.4 Sampling Adequacy using Kaiser-Meyer-Olkin (KMO)

Before conducting factor analysis, data were standardized by creating z-scores for every variable. Data standardization is done to have a common data format. It deals with data transformation by subtracting the mean of every variable and dividing it by its standard deviation. In addition, Kaiser 1974 proposed that it is necessary to determine whether the sampling used in any survey is adequate for factor analysis. The constructs used to measure entrepreneurial pedagogy, use of business incubators and student innovative capability are unobserved and therefore factor analysis is conducted to reduce large set of variables into few composite variables. To do this, principal component analysis (PCA), a statistical method that extracts factors from the data is estimated. It finds a set of small unobserved variables accounting for as much variance as possible among lager set of variables (Mann, 1995). Principal component analysis according to Wold, Esbensen and Geladi (1987) is a multivariate technique that analyzes a data table in which observations are described by several inter-correlated quantitative dependent variables. The table 4.10 shows the results from KMO. To get KMO, PCA is first estimated for identifying various components and then *estatkmo*comm and using STATA software will estimate the KMO.

According to Kaiser (1974), KMO values ranges between 0 and 1. Values close to zero show that there are large partial correlations in comparison to sum of correlation. In other words, there is a widespread correlation and it implies that there are problems for factor analysis.

Table 4.4: Sampling Adequacy Using KMO

Variables	KMO Sampling Adequacy
Agricultural co-operative performance	0.8983
Innovativeness	0.8994
Risk taking propensity	0.8836
Proactiveness	0.8870
Competitve aggressiveness	0.9114

Source: Survey Data, 2020

The KMO values between 0.8 and above indicates the sampling is adequate for factor analysis whereas values less than 0.6 are not adequate and remedial action should be taken. This study found that all variables were above 0.8 and were acceptable for factor analysis. The results presented shows that the overall coefficient for KMO sampling adequacy where; performance is 0.8983, innovativeness is 0.8994, risk taking is 0.8836 and proactiveness 0.8870 KMO. Dependent variable (performance) had a KMO of while 0.8983 KMO. Since all the variables met the threshold of having the KMO values over 0.70, the study proceeded to do factor analysis using principal component analysis.

4.5 Factor Analysis

Factor analysis is a statistical analysis reduction technique that explains correlation between multiple outcomes due to one or multiple underlying explanations or factors. It attempts to discover the unexplained factor that influences the covariance among multiple observations (Matsunaga, 2010). These factors represent underlying concepts that cannot be adequately measured by a single variable. The significance of this is that it is normally used in survey research in which responses to each

question represents an outcome since several or multiple questions are often related. Eigen values are used to measure the total variance accounted by each factor. According to Kaiser (1974) those factors with eigen values equal or greater than one should be retained.

4.5.1 Analysis of the dependent variable Analysis of the dependent variable

The study sought to examine responses on performance measures employed by cooperatives according to responses by the employees. The findings were as presented in table 4.5

Table 4.5: Rotated Factor Matrix for Performance Measures

Rotated Factor Matrix[a]		
	Factor Loading	Factor Comment
Amount of Dividends payout	0.951	Retain
Size of company assets	0.951	Retain
Profits made by the company	0.935	Retain
Sales volume changes	0.872	Retain
Increase in the size of Market Share	0.816	Retain
Decrease in the number of operating	0.159	Expunge
Increase in the number of business	0.451	Expunge
Decrease in the amount of liabilities	0.079	Expunge
Increase in the number of new	0.315	Expunge
Production of Related Products	0.314	Expunge
Retrenchment of employees	0.226	Expunge
Salaries of the employees	0.371	Expunge
Entering into new markets	0.369	Expunge
Years in operation	0.292	Expunge

Extraction Method: Maximum Likelihood.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 10 iterations.

The factor loadings from the factor analysis revealed that the items to retain were, amount of dividends payout (0.951), Size of company assets (0.951), profits made by the company (0.935), sales volume changes (0.872) and increase in the size of market share(0.816). The other items in the questionnaire were all expunged because they did not meet the loading.

Table 4.6:Rotated Factor Matrix for Innovativeness Measures

Rotated Factor Matrix[a]		
	Factor Loading	Factor Comment
The cooperative introduces new product first	0.965	Retain
Funds for ICT budget	0.927	Retain
Automated manufacturing process	0.922	Retain
New product development	0.89	Retain
Automated distribution channel	0.865	Retain
Employment of project crushing technologies	0.857	Retain
My firm introduced new products in the last three years	0.790	Retain
The emphasis has been on continuous improvement in methods	0.870	Retain
Services in my firm have significantly been revised in the last three years	0.779	Retain
The markets have really expanded in the last three years	0.825	Retain
New organizations have been established in the last three years	0.782	Retain
There are major product/service modifications in the last three years	0.736	Retain
Innovation is a key value in this firm	0.672	Retain
There has been exapansion into new markets	0.26	Expunge
There has been new partnerships with researchers in the last three years	0.286	Expunge
My firm introduces improvements and innovations in our business	0.465	Expunge
My firm seeks out new ways of doing business	0.178	Expunge
My firm is creative in its methods of operation	0.56	Expunge

Extraction Method: Maximum Likelihood.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 15 iterations.

The factor loadings from the factor analysis revealed that the items to retain were, the cooperative introduces new product first (0.965), funds for ICT budget (0.927), automated manufacturing process (0.922), new product development (0.89), automated distribution channel (0.865) and employment of project crushing technologies (0.857). The emphasis has been on continuous improvement in methods (0.870), Services in my firm have significantly been revised in the last three years (0.779), the markets have really expanded in the last three years (0.825), there are major product/service modifications in the last three years, (0.736). The other items in the questionnaire were all expunged because they did not meet the loading criteria of 0.5.

Table 4.7: Rotated Factor Matrix for Risk taking Measures

Rotated Factor Matrix[a]		
	Factor	
	Factor loading	**Comment**
Cooperative has lost money in the past	0.706	Retain
Diverse board composition	0.639	Retain
Management has been fired by the board	0.605	Retain
Investment experts ascertain suitability of projects	0.577	Retain
Increase in complains from members of cooperatives	0.545	Retain
The cooperatives undertake highly risk project	0.467	Expunge
Cooperative AGM's are eated up with arguments	0.445	Expunge
Employment of risk averse managers	0.398	Expunge
Farmers rate management decision on survey of investment opportunity	0.367	Expunge
Growth of risk executives	0.345	Expunge
Resource allocation for new venture is satisfactory.	0.311	Expunge
First cooperative to undertake risky projects	0.359	Expunge
Emphasis on Risky taking culture in the cooperative	0.340	Expunge
The cooperative board is composed of external board members	0.330	Expunge
Extraction Method: Maximum Likelihood.		
Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 7 iterations.		

The factor loadings from the factor analysis revealed that the items to retain were, cooperative has lost money in the past (0.706), diverse board composition (0.639), management has been fired by the board (0.605), investment experts ascertain suitability of projects (0.577) and increase in complains from members of cooperatives (0.545). The other items in the questionnaire were all expunged because they did not meet the loading criteria of 0.5.

Table 4.8: Rotated Factor Matrix for Proactiveness Measures

Rotated Factor Matrix[a]		
	Factor Loading	Comment
Flexible pricing model	0.999	Retain
Redesigning of product to meet customer preference	0.768	Retain
Change of core processes	0.754	Retain
Scanning tools for market needs	0.685	Retain
Customer Satisfaction survey	0.667	Retain
In this firm, employees have a lot of say in how things are done		Retain
My firm typically initiates actions to which competitors then respond to	678	Retain
Employees are given opportunity to act	0.567	Retain
Employees are given opportunity to act.	0.678	Retain
The cooperative is the first to produce products	0.689	Retain
My firm permits its employed people to act and think without interference	0.786	Expunge
My firm gives its employees freedom to communicate without fear	0.678	Expunge
My firm employees have access to all vital information	0.767	Expunge
Ido strive to have certain number of projects in aparticular period	0.678	Expunge

Extraction Method: Maximum Likelihood.
a. 10 factors extracted. 19 iterations required.

The factor loadings from the factor analysis revealed that the items to retain were, flexible pricing model (0.999), redesigning of products to meet customer preference (0.768), change of core processes (0.754), scanning tools for market needs (0.685) and customer satisfaction survey (0.667). My firm typically initiates actions to which

competitors then respond to (0.678), Employees are given opportunity to act (0 .678) the co-opertive is the first to produce products (0.689), My firm gives the employees freedom to communicate without fear (0.786), employees have access to all vital information (0.767). The other items in the questionnaire were all expunged because they did not meet the loading criteria of 0.5.

4.6 Effect of Competitive Aggressiveness on Cooperative societies

The study sought to examine responses on competitive aggressiveness measures employed by cooperatives according to responses by the employees. The findings were as presented in table.4.9.

Table 4.9: Rotated Factor Matrix for Competitive aggressiveness Measures

Rotated Factor Matrix[a]		
	Factor Loading	Comment
Production of quality products	0.865	Retain
Presence of patented products	0.772	Retain
Effective networking channels	0.666	Retain
Products of close substitute	0.599	Retain
Steady and prompt supplier	0.632	Retain
Quantity Production of goods	0.723	Retain
Cooperatives enjoy economies of scale	0.632	Retain
The buyers buy in bulk	0.872	Retain
The competitors have strength in production	0.718	Retain
Rewards given to customers.	0.613	Retain
Products are easy to access	0.317	Expunge
The cooperative exercises bold approach	0.386	Expunge
My firm is competitive	0.318	Expunge
The firm has expanded its market significantly	0.678	Expunge
D	0.679	Expunge
Expansion of market	0.269	Expunge

Extraction Method: Maximum Likelihood.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 13 iterations.

The factor loadings from the factor analysis revealed that the items to retain were production of quality products (0.865), presence of patented products (0.772), effective networking channels (0.666) and products of close substitute (0.599) Steady and prompt supplier (0.599), Quantity production of goods (0.723), Cooperatives enjoy economies of scale (0.632), the buyers buy in bulk (0.872), Competitors have strength in production (0.718). The other items in the questionnaire were all expunged because they did not meet the loading criteria of 0.5.

4.7 The Descriptive Results

The construct had a total of sixty nine items, measured on a five point Likert scale ranging from SD = strongly disagree, D = disagree, N = neither disagree nor agree, A = agree and SA = strongly agree.

4.7.1 Demographics

The study sought to analyze the background information of the respondents and background information of the co-operatives from the agricultural co-operatives in Uasin Gishu County. The findings are represented in Table 4.10.

Table 4.10: Background Information of the Respondents Demographics'

Gender	Frequency	Percent	Valid Percent
Male	116	57.1	57.1
Female	87	42.9	42.9
Total	**203**	**100.0**	**100.0**

The findings on the gender demographics as per Table 4.10 of the respondents indicated that the majority of co-operative staffs who participated, 57.1 percent were male while 42.9 percent of the staffs who participated in the study were female.. This study findings agree with studies carried out by Wegulo, (2004) who alluded that women are playing an increasing important role in entrepreneurial activities. Therefore most of the women in co-operatives belonged to middle with a strong

entrepreneurship drive. Astudy on internet café, entrepreneurs in Indonesia, Kristiansan Furuholt and Wahid (2003) found asignificant correlation between age of the entrepreneur and business success. The older entrepreneurs were more successful than the young ones. Mazzarol et al. (2009) found that female were less likely to be founders of new business than male. Similarly, Cheung, (2014) as cited by Stevenson and St Onge (20005) found that males had significantly higher entrepreneurial intentions than females. Cheung, (2014) as cited by Stevenson and St Onge (2005) further found out that individuals with prior entrepreneurial experience had significantly higher entrepreneurial intentions than those.

Table 4.11: Background Information of the Respondents Age

Age	Frequency	Percent
below 30	4	2.0
30-40	69	34.0
40-50	125	61.6
Above50	5	2.5
Total	**203**	**100.0**

The findings on the age are presented in Table 4.11 and the response indicated that the majority of the staffs 61.6 percent were of age between 40-50 years, 2.5 percent were of age between above 50 years, 34.0 percent were of age between 30-40 years, with 2.0 percent being below the age of 30- years. This implies that the majority of staffs within co-operatives in Uasin Gishu County were aged between 40-50 years. Hisrich *et al*, (2002), observed that most entrepreneurs initiate entrepreneurial activities at ages between 22 and 40 years. Consequently, the age of the employees could influence the level of entrepreneurial orientation uptake by its employees as well as performance of co-operatives.

Table 4.12: Level of Education

Education	Frequency	Percentage
Primary	25	12.3
Secondary	97	47.8
Collage	81	39.9
Total	**203**	**100.0**

A number of studies indicate that skills and knowledge of entrepreneurs are critical in establishing SMEs and are vital for enterprise performance (Namusonge, 1998). Table 4.12, shows the findings on the education level of the respondents indicating that 12.3 percent have acquired primary education, 47.8 percent have secondary education, while 39.9 percent have college education. This indicates that agricultural co-operatives are an equal employer and can accommodate a relatively higher percentage of 39 percent college graduates as well as people with primary level of education as a source of employment in Kenya. This indicates that agricultural co-operatives could create jobs for college graduates in Kenya. Accordingly, training is an important aspect of entrepreneurship yet earlier study indicated that training was seriously lacking in most SMEs (CBS et al., 1999; Kenya, 2017). The Situational Leadership theory asserts that entrepreneurial knowledge is not innate but can be learned by any individual who has basic literally skill. This implies that the employees of agricultural co-operatives within the county are able to learn the entrepreneurial skill, and improve performance (MacGrath, 2000). However the total percentage of primary and secondary school graduates employed in cos-operatives is relatively high and could also suggest entrepreneurial skill and knowledge gap which could influence entrepreneurial orientation uptake among co-operative staff. Thus, EO could enhance agricultural performance in Uasin Gishu County. Training is expected to have an important bearing on the performance of the co-operative enterprises especially in aspects of innovations uptake because it is a learning experience. The rising urban unemployment and poverty is compelling more people to be engaged in agricultural enterprises through learning in the rural. The Situational

Leadership theory as propounded by McGrath and McMillan (2000) also posit that basic literary and entrepreneurship skills can be learned and applied by anyone.

According to Hisritch et al. (2002), education and training are vital for the efficient operation of an enterprise because they provide the necessary numerical and communication skills vital in enterprise management and performance. Consequently it continues to play a major role in helping entrepreneurs to cope with the problems confronted in their daily operations (Hisrich et al., 2002). Uasin Gishu county government has now scheduled a mandatory training for all groups of members in the co-operatives from management, executives, committees, and farmers to sensitize them on the essence of a vibrant co-operative movement UCIDP (2012). There are also funds and awards being given to active agricultural co-operatives, and these act as a motivation for co-operatives to reduce the levels of dormancy that stands a 68 percent (UCIDP, 2012). The study findings also indicate that the majority of the employees are trainable as they have the basic skills though the uptake of entrepreneurial orientation is low (Crant, 2004). However, this could also be due to the restrictions within the co-operative movement where employees entrepreneurial activities are restricted. But with rewards from county governments as a motivation, they are likely to take up training on agribusiness seriously and hopefully the members may also give the leeway for employees to pursue profitable opportunities which will benefit all of them.

Table 4.13: Background Information of the Cooperatives

Milk consumers	Frequency	Percent
KCC	116	57.1
Brookside	59	29.1
Individual/middlemen	28	13.8
Total	**203**	**100**

The findings on the sales point indicated in Table 4.13 indicate that the majority of respondents 57.1 percent sold their milk to KCC, 29 percent, sold to Brookside and 13.8 percent sold milk to individuals/ middlemen. Saling point is important for wealth generation.

Table 4.14: Registration of Co-operatives

Registration type	Frequency	Percent
Cereals	50	24.6
Dairy	121	59.6
Both	26	12.8
Others	6	3.0
Total	**203**	**100.0**

The study findings in Table 4.14 on the type of produce of the co-operative, respondents indicated that the majority of respondents 59.6 percent were registered as dairy co-operatives, 12.8 percent registered as for both cereals and dairy co-operatives, while 24.6 percent registered as cereal farmers co-operatives while 3.0 percent were registered as others co-operatives. However, despite the registration of the type of engagement, all of these agricultural co-operatives were engaged in multiple activities but not just the one they were registered in. The study results imply that majority of the farmers' prioritized dairying. The fact that majority of co-operatives engaged in dairying activities. Other co-operatives diversified their activities into cereals, land purchasing, markeing, provision of farm inputs though they all remained within the domain of agriculture (Rok, 2004). The diversifying could be a way of spreading risks (Macko & Tyszka, 2017). In Uasin Gishu County, the main resource of co-operative members is land, dairy cows and a favourable climate which is conducive for farming (CISP, 2013). Good farming practices and innovations create wealth for co-operaive members and help reduce the level of proverty within the County. Diversifyng land activities and value addition is crucial for co-operatives growth. The Situational Leadership theory posits that anybody can become a leader if they are able to handle the situation and make the right decisions at hand (Algatawenh, 2018; Igbaekemen, 2015). They emphasize that individuals with ability to identify opportunities as they arrive and make appropriate decision of investment are the situational leaders. According to ICA (2012) co-operative societies are endowed with enormours resouces which creates a lot of wealth to its memebers world wide. Hence proper utilization, investment and value addition is

crucial for survival and flourishing of enterprises. (Kotabe, 1995, Kenya, 2017, Wanyama, 2012).

Table 4.15: Location of Co-operatives

Location	Frequency	Percent
Urban	4	2.0
Peri Urban	23	11.6
Rural	172	86.4
Total	199	100.0

The findings in Table 4.15 on the location of co-operative location indicated that the majority of the respondents 86.4 percent of the co-operatives were located in the rural areas. Proximity of agricultural co-operatives to the raw materials within the rural is benefitial to the farmers as it reduces travel and transportation costs, hence profits. However, the rural is known to have impassable roads during rainy season. 4 percent were located in town while 11.3 percent were in peri urban areas. This is also in order because primary agriculture co-operatives by nature are located near the source of supply and not far away because agricultural commodity is perishable. Though locating co-operatives in urban and peri urban centers is strategic and convenient for accessibility in terms of appropriate infrastructure, but also locating them in the rural is more appropriate as they are near the source of raw materials. Now with the introduction of coolers, co-operatives are able to collect and store enough milk before they can transport the same to the processors in town and they can operate throughout the day CIDP, (2012). The grains store utlised by storing grains for the small scale farmers who don't have stores, then the goods are transported as either a co-operative or as agroup to cereals or millers . This is pooling together which is a major function of co-operatives and a way of spreading risks (Cavusgil, & Knight, 2015).

Table 4.16: Position held by Respondents

Position	Frequency	Percent
Lower	35	17.2
Middle	112	55.2
High	56	27.6
Total	203	100.0

The study results in Table 4.16 show that 55.2 percent of the respondents were in the middle cadre of the employees, 27.6 percent were of higher ranks, while 17.2 percent were in the lower job cadre. However, according to ICA (2012) despite the position held by employees, according to the principles of co-operatives, no worker can make autonomous decision and all the information pertaining the co-operative is known by workers who are also members (Kenya, 2004). There is democratic member control where members are the supreme decision makers (ICA 2014). Prior research by Wanyama (2008) indicate that the challenge of co-operatives is maintaining the balance between the association nature, ownership, and operational efficiency which wears them leading to closure (Zain, 2010; World Cooperative Monitor, 2014). Equally co-operative equitable principle restricts proactivity and autonomy this irrespective of the position held by a member (World Co-operative Movement, 2014).

Table 4.17: Performance

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	%	%	%	%	%
The number of assets has increased the last three years	2.0	3.4	26.1	47.8	20.7
The number of employees has increased the last three years.	0.0 0.0	6.4	13.3	62.1	18.2
The volume of sales has gone up in the last three years	0.0	4.9	12.3	47.8	35.0
The market share has expanded in the last three years	0.0	3.4	16.3	48.8	31.5
Dividends have increased in the last three years.	.5	6.4	24.1	30.5	38.4
Salaries have increased in the last three years	.5	5.4	15.8	36.9	41.4
There is increase in sales of new products/services in the last three years	0.0	0.0	12.3	49.8	37.9
There is increased commitment by farmers	11.3	13.8	5.4	37.4	32.0

Table 4.17 Indicates that performance of agricultural co-operatives was measured using several indicators. As to whether the number of employees had increased in the last three years, 62.1 percent respondents reported an increase, 18.2 percent strongly agreed with the statement, while a small percentage of 13.3 percent were neutral and 6.4 percent disagreed. The increase in the number of employees could also measure

growth or performance of an enterprise. The study findings imply that the co-operative enterprises in Uasin Gishu County, have been improving performance and that is why the number of employees has been increasing since start-up phase. Most co-operatives now have the motivation and have employed workers to run their daily activities ranging from agrovets, M-Pesa and other banking agents like co-operatives bank agents, Equity and National bank agents. However all of the co-operatives according to the co-operatives county commissioner do hire the services of specialists like accountants, lawyers etc whenever it is necessary. It's also true that some percentage of co-operatives within the county don't have a single employee (UCISP, 2018; Kenya, 2017). For growth in sales, the study results also indicate that 47.8 percent agree that sales volume had gone up, 35 percent, strongly agreed while 4.9 percent and 12.3 percent disagreed and neutral respectively.

This study finding also revealed that the county of Uasin Gishu has put up a fund to support those co-operatives that meet a certain threshold. This encourages hard work among the co-operatives and this is guided by employees as propounded by (McGrath & MacMillan, 2000) on Situational Leadership Theory. On the expanded market Share. 48.8 percent, said the co-operatives had expanded the market share, 31.5 percent strongly agree, 16.3 percent were neutral. 3.4 percent disagreed that the market share had expanded. The increase in market share could have been caused by the introduction of coolers such that the milk can stay fresh for a long time. Equally the potato cooler could be a factor for the expanded market, because it means the produce is stored during the peak season and could be still be available during dry season where buyers from far off places could still access fresh produce.

Increase in dividends signifies growth (Pandye, 2009). 68.9 percent of the respondents agreed that the dividends have increased in their co-operative, while 6.4 percent and 5 percent, disagreed and strongly disagreed respectively. Members of a co-operative gauge the growth of the investment by the dividends they earn.

In regard to increased sales signifying performance, the results indicate that 49.8 percent respondents said there was increase in sales of new products in the last three years, 37.9 percent agreed, while 12.3 percent disagreed. This could imply that to

some extend innovativeness is present in agricultural co-operative enterprises in Uasin Gishu County and this could influence enterprise performance. However, growth in sales does not necessarily indicate improved performance. From the preceding section, the entrepreneurial orientation literature the concept of performance is very complex as performance measures used in studies, ranges in a very wide variety of measures. Juha (2013) suggests that when the entrepreneurial orientation studies refer to "performance" at a more detailed level it may actually be profitability or growth or a combination of these. For instance, Moreno and Casillas (2008) pointed out that the quite extensive body of literature on the relationship between entrepreneurial orientation and firm performance is dominated by two types of measures of performance; objective and subjective.

4.8 Descriptive Results on Entrepreneurial Orientation Dimensions

4.8.1 Innovativeness

To what extend do you agree or disagree with the following statement as pertaining to Innovativeness on Performance of Cooperatives in Uasin Gishu, County. As to whether there has been introduction of new products in the last three years, Table 4.18 indicates the results for innovativeness. That 30.5 percent of the respondents agree that the co-operatives have introduced new products. 10.3 percent strongly agree, while 17.2 percent were neutral to the statement. Equally a large number of 41.9 percent disagreed. It was observed that, most cooperatives have introduced coolers to keep the milk fresh for days before it can be transported to the processor, hence they can now operate full day. Other co-operatives have purchased transport containers, (UCISP, 2016). However, introduction of coolers could not be taken as improvement in performance because the coolers were part of the motivation of county government to improve on performance and were not acquired from co-operating activities. According to Kuratko (2012) continuous improvement on services may signify innovativeness. 44.8 percent agree that there is a continuous improvement of services in the co-operative, 23.2 percent also strongly agreed to the statement, while 30.5 percent and 1.5 percent were neutral and disagreed respectively. On continuous revision of services, the results indicate that 64.0 percent

had had their services revised, 2.5 percent agreed while 10.8 percent and 22.7 percent strongly disagreed respectively. According to innovation theory, introduction of new products could mean innovativeness (Shumpeter, 1934). Ability for a firm to grow is characterized by its ability to introduce new and novel ways of doing things at a relatively low cost (Piirala, 2012).

In table 4.18, as to whether the co-operatives have new sources of supply, 42.9 percent of respondents strongly agreed that the co-operative has new sources of supply, 48.3 percent agreed, while 18.4 percent and .5 percent were neutral and disagreed respectively. New sources of supply to co-operatives could imply that many farmers were engaging in farming activities and consequently appreciate the importance of co-operatives function of pooling together. On trying out of new ways of operations, the study results indicate that 43.3 percent strongly agree and agreed that the employer gives room to the employees to try new ways of doing things and seek unusual novel solution in their co-operatives. 11.3 percent and 2.0 percent were neutral and disagree respectively. As to whether the co-operatives engaged in new technologies, 28.1 percent strongly agreed, 40.9 percent agreed, while 29.1 percent and 2.0 percent were neutral and disagreed respectively.

Engaging in untried technologies could as well signify risk taking behavior among co-operatives (Kenya, 2017). However, the results indicate that co-operatives in the county are slow in undertaking new ventures. This study agrees with findings by Kiriku (2016) on the relationship between Entrepreneurial Orientation and performance of Social Enterprises in Kenya which conluded that Social Enterprises operating in Kenya depicted low levels of Entrepreneurship. According to Lumpkin and Dess (1996) innovativeness as a research variable includes successful introduction of new products, or service introduction. Kuratko and David (2008); Satell, (2017) indicate that innovation is of four types; discontinues innovation, dynamically continuous, continuous and imitation innovation. However, it has also observed that by doing everything right, managers create opportunities for new companies to take their markets away, as such, success may seem fleeting and unpredictable with new markets is a way of success (Christensen, 2019; Erich, 2013).

Table 4.18: Innovativeness

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	%	%	%	%	%
My co-operative has introduced new products in the last three years.	21.2	20.7	17.2	30.5	10.3
The emphasis has been on continuous improvement in the last three years.	0.0	1.5	30.5	44.8	23.2
Services in my firm have significantly been revised in the last three years.	0.0	2.5	10.8	64.0	22.7
The markets have really expanded in the last three years.	0.0	2.0	18.7	52.2	27.1
There are major/products or services modification in the last three years.	0.0		26.6	29.1	44.3
Innovation is a key value in this firm.	0.0		11.3	23.6	65.0
There has been considerable innovation (ideas) in the last three years.	0.0	2.5	10.3	31.5	55.7
The idea is normally developed (commercialization).	0.0	2.0	12.3	42.4	43.3
The corporate often engages in untried technologies.	0.0	2.0	29.1	40.9	28.1
My firm has identified new source of supply.	0.0	.5	8.4	48.3	42.9
Our employer gives us room to try new ways of doing things and seek unusual, novel solution in our coop.	0.0	2.0	11.3	43.3	43.3
There has been new partnership with researchers in the last three years.	0.0	3.4	17.2	35.0	44.3
There has been training of employees in research in the last three years.	0.0	3.4	10.3	38.4	47.8
My firm is always the first business to introduce new products or services, administrative techniques, operating techniques etc.	0.0	4.4	10.3	39.4	45.8
My firm introduces improvement or modification frequently in our business.	0.0	3.0	3.9	42.4	50.7

Agricultural co-operative societies in Uasin Gishu are being advised to engage in any of the innovative activities so to assess which type of innovation enhance their performance (Kenya, 2017). A study by Okeyo (2012), established that non-existence of entrepreneurial orientation is one of the factors that lead to failure of several start-ups and SMEs. The County government of Uasin Gishu has issued loans worth sh127 million to over 57 co-operative societies for the past three years (UCISP, 2016: FAO, 2017). However, the dormancy level in the county is still at 78 percent. During the marking of International Day of Cooperatives at the county headquarters in Eldoret town, the deputy Governor Daniel Chemno reaffirmed the county government's commitment to continue supporting co-operatives.

According to Waithaka (2016) innovations in one field may induce other innovations in related fields. Innovation is one of the dimensions of entrepreneurial dimension and for it to be successful, it will lead the entrepreneur to be both proactive and competitively aggressive to be able to successfully market the new products. Consequently, the entrepreneur will have taken an amount of risk to invest in production of new product and would also have been self directed in pursuit of business opportunities. According to Osoro et al. (2012) innovation is an important means of pursuing opportunities and is important component of an entrepreneurial orientation facts which Mukami (2014) alludes to that the process of creative destruction is initated by an entrepreneurial behaviour which makes innovation an important success factor within an organization. Facts which a study on co-operative governance and social performance of co-operatives societies in Uganda agrees to, which revealed a significant association between innovativeness and non finance performance (Kyazze, Nkote & Isingoma, 2017).

On risk taking, according to Table 4.19, responses on whether risk taking by executives in seizing and exploring chance for growth opportunities was apriority respondents were 18.7 percent, those who strongly agreed, 60.1 percent agreed and 16.7 percent and 4.4 percent were neutral and disagreed respectively. As to whether the respondents valued risk ventures in the co-operatives, 16.7 percent strongly agreed, 46.3 percent agreed, while 35.0 percent and 2.0 percent were neural and disagreed respectively. As noted by Hoskisson (2017) risk taking is related to

creativity and innovation, self confidence and it is essential for success of any business.

Table 4.19: Risk Taking

Statement	Disagree	neutral	agree	strongly agree
	%	%	%	%
Risk taking by key executives in seizing and exploring chance growth opportunities is a priority.	4.4	16.7	60.1	18.7
Risk taking is a key value in this firm.	2.0	35.0	46.3	16.7
Taking calculated risk is a priority.	0.0	8.4	59.1	32.5
My firm has a strong predisposition for high risk project with chances of very high returns.	0.0	5.4	53.7	40.9
My firm often has had to take bold wide ranging acts necessary to achieve our objective.	0.0	6.9	54.7	38.4
My firm when confronted with decision concern uncertainty typically adopts a bold posture in order to maximize the probability of exploiting opportunities.	5.9	16.3	52.7	25.1
The term risk taker is considered a positive attribute for people in our firm.	2.5	17.7	51.7	28.1
The people in our firm are encouraged to take calculated risks with new ideas.	3.9	14.3	39.9	41.9
Our firm emphasizes both exploration and experimentation for opportunities.	2.0	7.4	44.8	45.8

Entrepreneurs are said to be risk takers, and as per study results, 59.1 percent of respondents and 32.5 percent agreed and strongly agreed respectively that their cooperatives take up calculated risks as a priority while 8.4 percent were neutral. This means that co-operatives take calculated risk by attempting to find ways to shift or share the risk. This could be seen in the way they divest in various activities despite what they are registered to carry out. To some extend these could be said to be risk taking. It was also observed that entrepreneurs are generally believed to take

more risks than non-entrepreneurs do because they face less structural and a more uncertain set of possibilities Kreiser (2010).

However agricultural co-operative societies are more structured and have to stick to the resolutions of members,(Kenya, 2004). In response to whether the co-operatives had strong liking for high risk projects, 53.7 percent of respondents agreed, 40.9 percent strongly agreed while 5.4 percent were neutral. On whether cooperatives take up bold ranging decision, the results indicate that 38.4 percent of the respondents agreed, 54.7 percent agreed while 38.4 percent strongly disagreed that the co-operatives often take bold wide ranging acts necessary to achieve the objective. This results could explain why year in year out they engage in the same farming activities despite the uncertainty in farming caused by climate change, and price flactuations. As to whether the firm when confronted with decision concerning uncertainty, typically adopts a bold posture in order to maximize the probability of exploiting opportunities the results indicate that 52.7 percent of the respondents agreed, 25.1 percent strongly agreed while 16.3 percent were neutral and 5.9 percent disagreed. Whether their firm emphasizes both exploration and experimentation for opportunities, 45.8 percent, and 44.8 percent of the respondents strongly agreed and agreed that their firm emphasizes both exploration and experimentation for opportunities respectively, while 7.4 percent, and 2.0 percent were neutral and disagreed respectively.

Bako (2013) alludes that empirical review shows that agricultural co-operatives, like all agribusinesses, operate in an inherently risky environment. While certainly not ignoring risk, most agricultural co-operatives have chosen a path of risk accommodation, in particular through the holding of internal capital reserves, against active risk management (Manfred, Richard, & Mc Dermott, 2003). They further allude that, this practice is particularly costly for agricultural co-operative members, since co-operatives tend to be relatively capital constrained due to lack of public equity markets and their requirement to eventually pay out all earnings (World Cooperative Monitor, 2014; Wanyama, 2008). Thus, capital tired up in non-productive uses can be expensive, particularly during times of high interest rates as well, given the recent period of low commodity prices, many co-operatives are now

experiencing a greater need for efficient rates (Uasin Gishu county strategic Plan, Bako, 2013). Its therefore agreed that both traditional and innovative risk management tools provide co-operative managers opportunities to augment their risk exposure, and subsequently the risk exposure of their members. According to Olowaye et al. (2012); Otienoet al. (2012); Wambugu (2015); Waithaka, (2016) the riskier the opportunity the higher the rewards therefore risk management becomes essential part of entrepreneurs. However a study by Olowaye et al. (2016) on Firms on Nigeria Stock exchange found a negative association between perfomnace and risk taking. Equally Kiruki (2012) found that risk taking had a negative impact on product performance and no impact on customer performance. According to Christian (2012) the psychological theories of locus of control and need for achievement were associated with a moderate level of risk taking propensity, and these have been associated with a higher performance by individuals.

Proactiveness is an opportunity seeking behavior, forward looking perspective characterized by an enterprise introducing new products and services ahead of its main competitors and acting in anticipation of future demand (Wiklund et al., 2011). Study results in Table 4.20 indicate that 20.7 percent strongly agreed to the statement that the co-operative environment encourages the staff to talk openly with others about ways to improve firms operations, 46.3 percent agreed, while 30.5 percent and 2.5 percent were neutral and disagreed respectively. The responses to whether the managers have a tendency to be the head of other competitors in introducing novel ideas or products, 37.4 percent strongly agreed, 51.2 percent, 7.9 percent neutral while 3.4 percent disagreed.

As to whether my firm typically initiates action to which competitors then respond to, 45.8 percent strongly agreed, 37.4 percent agreed while 13.3 percent were neutral. 3.4 percent disagreed. In regard to employee freedom to pursue new opportunities, 45.3 percent of respondents strongly agreed, 45.3 percent agreed, while 13.8 percent and 28 percent were neutral and disagreed respectively.

Table 4.20: Pro-Activeness

Statement	SD %	D %	N %	A %	SA %
In the firm the employees have a lot of say in how things are done	0.0	5.9	22.2	27.1	44.8
The company environment Encourages people to talk openly with others about ways to improve firms operations	0.0	2.5	30.5	46.3	20.7
My firm emphasis growth	0.0	3.9	21.2	50.2	24.6
Managers have a tendency to be a head of other competitors in introducing novel ideas or products	0.0	3.4	7.9	51.2	37.4
My firm typically initiate action to which competitors then respond to	0.0	3.4	13.3	37.4	45.8
Employees pursue new opportunities	0.0	2.5	13.8	45.3	38.4
My cooperative always influences its environment	2.0	1.5	10.8	31.0	54.7
My firm permits its people to act and think without interference	0.0	4.9	9.4	48.8	36.9
My firm allows its employed people to perform jobs that allows them to make and initiate changes in the way they perform their work	0.0	2.5	12.8	48.8	36.0
My firms gives its employees freedom to communicate without fear	2.0		14.3	48.3	35.5
My firms employee have access to all vital information	0.0	1.0	6.4	50.2	42.4
My firm requires individuals or teams to rely on senior managers to provide impetus for pursuing business opportunity	2.5	1.5	5.4	43.8	46.8
I like to commit myself to reach particular results	0.0	.5	3.9	41.4	54.2
I do strive to have certain numbers of projects in a particular period	0.0	3.4	9.9	41.9	44.8

Key: **SD**=Strongly Disagree, **D**=Disagree, **N**=Neutral, **A**=Agree, **SA**=Strongly Agree

According to Grant, (1991) proactivity also entails ability to influence the environment. As to whether the co-operative always influences the environment, 54.7 percent strongly agreed to the statement that the co-operative had influenced the environment, 31.0 percent agreed and 10.8 percent were neutral 2.0 percent

As to whether there is freedom of taking action without interferences, 36.9 percent strongly agreed, 48.8 percent agreed while 9.4 percent agreed. 9.4 percent were neutral, while 4.9 percent disagreed. Proactivity also entails making initiative in performing the work, 36.0 percent strongly agreed, 48.8 percent agreed, 12.8 percent were neutral. 2.5 percent disagreed. Commercializing projects forms part of proactivity and consequently improves performance. As to whether employees strive to have certain numbers of projects in a particular period 44.8 percent strongly agreed, 41.9 percent agreed, while 9.9 percent and 3.4 percent were neutral and disagreed respectively. This means that an entrepreneurial firm that constantly scans the environment for opportunities through research and development is able to develop new products and services that are unique in the market; the result of this is attracting and retaining customers that could lead to increase in profits, sales and in the long run improve performance. The results indicate that proactivity may not be a factor in co-operatives. No member, nor staff is allowed to do anything without the sanction of the members.

Waithaka (2016) averts that the development of market share is therefore considered to represent proactiveness. Where Wambugu (2015) study on relationship between agro-procesing enterprise revealed that proactiveness was significant predictor of firm performance among agro-processing SMEs in Kenya. However Lumpkin and Dess (2009) cautions that being a first entrant into a market is not necessarily a guarantee of durable competitive advantage. Facts which Stevenson (2011) agrees to and notes that in certain context, proactiveness might not be associated with increased earnings if specific contexts does not allow for proactiveness to have an effect on efficiency.

4.8.2 Competitive Aggressiveness

A firm's propensity to directly and intensely challenge its competitors to achieve entry or improve position, which is to outperform industry rivals in the market place (Lumpkin & Dess, 1996). Competitive aggressiveness can be based on service/product innovations or market development, where enterprises can demonstrate responsive or reactive actions (Kusumawardhani et al., 2009). They

explain that, responsiveness may take the form of head-to-head competition or direct attack on competitors, such as when a firm enters to the market where the competitor is already present. Contrary, reactive tendensis indicates direct reaction to competitors' action in terms of lowering prices of services/ products when a competitor introduces a new service to the market (Lumpkin & Dess, 1996).

Table 4.21 shows the results of the study regarding the level of competitiveness within agricultural co-operatives within Uasin Gishu County. The responses as to whether other co-operatives can access the market easily indicated that, 32.0 percent strongly agreed, 43.8 percent agreed, 17.7 percent, neutral, while 6.4 percent disagreed. The responses on whether the products have close substitutes, 47.8 percent agreed, 26.1 percent strongly agreed while 21.2 percent were neutral and 4.9 percent disagreed. Competition is also measured by the superiority of product (Kotler, 1999). As to whether the cooperatives produces services or product of superior quality, 50.7 percent agreed, 28.1 percent strongly agreed, 17.7 percent were neutral while 3.4 percent disagreed.

According to Rauch (2009), expanded market as a form of innovation may signify performance. As to whether the co-operative has expanded its market significantly, 58.1 percent strongly agreed, 29.1 percent agreed, while 8.4 percent were neutral while 4.4 disagreed. This is has been made possible by the fact that co-operatives can pool their little produce together and look for a market anywhere so as to sell their products.

As to whether the co-operatives has more sales compared to its competitors, the respondents who strongly agree were 61.6 percent, agree 24.1 percent, neutral 9.9 percent while those who disagreed were 4.4 percent. Linyuru et al., (2017) results showed that competitive aggressiveness was found to be a contributor of performance. Facts which a study by Ngoze & Bwisa (2014) also found to be positive effect of competitive aggressiveness on financial performance of manufacturing firms in developing countries

Table 4.21: Competitive Aggressiveness

Statement	SD %	D %	N %	A %	SA %
Other co-operatives can access the market easily.	0.0	6.4	17.7	43.8	32.0
Other products have close substitutes.	0.0	4.9	21.2	47.8	26.1
The co-operatives produce services or product of superior quality.	0.0	3.4	17.7	50.7	28.1
The co-operative has expanded its market significantly.	.0	4.4	8.4	29.1	58.1
The co-operatives have more sales compared to its competitors.	0.0	4.4	9.9	24.1	61.6
Our suppliers are steady and prompt.	0.0	2.0	11.8	36.0	50.2
My firm business takes a bold or aggressive approach when competing.	0.0	2.0	17.2	44.8	36.0
My firm tries to undo and out maneuver the competition in non-price dimensions as best as we can.	0.0	0.0	16.3	40.4	43.3
Our rivals have more strength and are large.	0.0	2.5	12.8	46.8	37.9
Our products are extremely important to the buyer.	0.0	4.4	12.3	40.9	42.4
Sometime my firms compete aggressively in price.	0.0	0.0	10.3	44.8	44.8

Key: **SD**=Strongly Disagree, **D**=Disagree, **N**=Neutral, **A**=Agree, **SA**=Strongly Agree

To answer the question whether the suppliers are steady and prompt 50.2 percent strongly agreed, 36.0 perfect agreed, 11.8 percent reported neutral while 2.0 percent strongly disagreed. The suppliers of co-operatives are mainly farmers, and the fact that they supply steadily to their co-operatives shows a lot of commitment by farmers. Whether my firm business takes a bold or aggressive approach when competing, 36 percent strongly agreed, 44.8 percent agreed 17 percent, neutral while 2.0 percent disagreed.

As to whether my firm tries to undo and out maneuver the competition in non-price dimensions as best as they can; 43.3 percent strongly agreed, 40.4 percent agreed, 16.3 percent were neutral. As to whether our rivals have more strength and are large 37.9 percent strongly agreed, 46.8 percent agreed, 12.8 percent neutral while 52.5 percent disagreed. As to whether the products are extremely important to the buyer, 42.4 percent strongly agreed, 40.9 percent agreed, 13 percent neutral while 4.4

percent. As to whether sometimes my firm competes aggressively in price 44.8 percent strongly agreed, 44.8 percent agreed, while 10.3 percent were neutral.

Table 4.22: Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Innovativeness	203	3.29	5.00	4.1619	.42041
Risk taking	203	3.20	5.00	4.1103	.41463
Proactiveness	203	3.30	4.90	4.2064	.35405
Competitiveness	203	3.44	5.00	4.2299	.39097
Performance	203	2.00	5.00	4.0025	.57913

The study applied the five point likert scale where 1= Strongly Agreed, 2 =Agreed, 3= Neutral, 4= Disagreed while 5 =Strongly Disagreed.

A mean of (4.1619, SD=.42O41) indicate that majority of respondents agreed with innovativeness as a measure of innovativeness because it was above average of 2.6. The Risk taking was also measured using the same likert scale and had a mean of (mean=4.1103, SD=.41463). This indicates that majority of the respondents agreed with risk taking as a measure of performance because the mean was above 2.6 , Proactiveness was also measured and had a mean of (4.2064,SD =.35405) meaning respondents also agreed with proactiveness as a measure of performance in cooperative. Competitive aggressiveness was measured and had a mean of (4.2299, SD = .39097) meaning respondents also agreed with competitiveness as a measure of performance in cooperative. It also had a low SD of .3907 which indicates low variability from the mean, hence few outliers.

4.8.3 Inferential Statistics on Research Variables

This section explains the inferential analysis on the Independent Variables of Entrepreneurial orientation and its influence on performance of co-operatives. Correlation analysis were performed on the variables, assumptions of regression were then carried out to ensure that the variables qualified to undergo regression analysis. Finally regression analysis was carried out.

4.8.4 Pearson Correlation Analysis

Pearson's correlation coefficient is the test statistics that measures the statistical relationship, or association, between two continuous variables. It is known as the best method of measuring the association between variables of interest because it is based on the method of covariance and gives information about the magnitude of the association, or correlation, as well as the direction of the relationship. Coefficient values can range from +1 to -1, where +1 indicates a perfect positive relationship, -1 indicates a perfect negative relationship, and a 0 indicates no relationship exists.

Table 4.23 shows the correlation results. The Pearson correlation was run to determine correlation among study variables. The findings on correlation analysis show that there was no relationship between performance and innovativeness p=0.103. The results agree with previous study by Wanyama, (2008) who alludes that despite the glorious background of co-operatives performance across the world, co-opertives in Kenya remain surprisingly unfamiliar to innovativeness and that cooperation is weak in practice but strong in theory.

Table 4.23: Pearson Correlations

Variable		Performance	Innovativeness	Risk taking	Proactiveness	Competitiveness
Performance	Pearson Correlation	1	.103	.112	-.146*	.281**
	Sig. (2-tailed)		.144	.111	.037	.000
	N	203	203	203	203	203
Innovativeness	Pearson Correlation	.103	1	.484**	.225**	.291**
	Sig. (2-tailed)	.144		.000	.001	.000
	N	203	203	203	203	203
Risk taking	Pearson Correlation	.112	.484**	1	.318**	.386**
	Sig. (2-tailed)	.111	.000		.000	.000
	N	203	203	203	203	203
Proactiveness	Pearson Correlation	-.146*	.225**	.318**	1	.252**
	Sig. (2-tailed)	.037	.001	.000		.000
	N	203	203	203	203	203
Competitiveness	Pearson Correlation	.281**	.291**	.386**	.252**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	203	203	203	203	203

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

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

These factors together mean that throughout its long history, cooperatives have often suffered failures and subsequent closures or dormancy (Wanyama, 2008; ILO, 2009). The study also reveals no relationship between risk taking propensity and performance at p=0.112 at .0.01 level of significance. However, the study results indicate some correlation between proactiveness and performance at p= -146 at 0.05 level of signicance, though the coefficient is negative. The negative coefficient means that there exists an inverse relationship between proactiveness and performance, whereby as proactiveness increases, performance decreases. In regard

to competitive aggressiveness there is asignificant correlation where p=.281 at 0.01 level of significance. This means that there is a significant positive correlation between competitive aggressivenee and performance at 0.01 levels. This means that if the value of competitive aggressiveness goes up by one unit, the value of the dependent variable performance tends to go up too. This study also found a relationship between innovativeness and risk taking, which is statistically significant, p=.484. There was also a statistical relationship between innovativeness and proactiveness. Innovativeness was also correlated to competitive aggressiveness p=.291. This results means that an increase in innovativeness leads to an increase in proactiveness, and competitive aggressiveness. The study results indicates that innovativeness cannot take place on a stand alone basis without taking risks, and being proactive in exploiting opportunities (Kuratko, 2008)

On correlation between risk taking and proactiveness, the study revealed a significant relationship p=.318. The same with risk taking and competitiveness aggressiveness, p=.386 at 0.01 level. Equally there was a statistical relationship between proactiveness and competitive aggressiveness p=.252 at 0.01 level of significant. Competitive aggressiveness was statistically correlated to performance, p= .281 at 0.01 level of significant, also correlated to innovativeness, p=.291 at 0.05 level, to risk taking p=.386, and to proactiveness p=.252 all at .0.01 level of significant.

The p- values that tend towards zero indicate a weak relationship among the variables. This means that changes in one variable are not necessarily correlated with changes in the second variable. Because the Pearson's r was low, then conclude that the variables were not strongly correlated. Knowing that these variables are not strongly associated with performance, and then they may be predicted as not being statistically significant predictor variables in the regression model. This result could be an indication that perhaps the nature of co-operatives does not allow them to be innovative, nor engage in risk taking ventures. The co-operative principles dictates that the members are supreme and all decisions regarding entrepreneurial activities in the cooperative must be sanctioned by the members (UGCSP, 2016). Competitive aggression and proactiveness is however significant, but proactiveness is negatively correlated. Tests by non-parametric measures indicate by use of Spearman's rho rank

correlation indicate that there is relationship but it is not known which type it is (Appendix IV). Hence it becomes a recommendation to carry out analysis using non parametric measures so as to tell which type of relationship exists among these variables.

4.9 Regression Results

The study sought to establish the relationship between the independent and the dependent variables using regression analysis. To do this the assumptions of regression were first computed.

4.9.1 Assumptions of Regressions

The study sought to test the assumptions of regression. The findings were necessary to confirm if the data used for regression was suitable enough for assessing the direct and the indirect effects. When assumptions are violated accuracy and inferences from the analysis are affected (Antonakis & Dietz, 2011). This study assessed assumptions by the use of parametric statistical methods to produce relevant output, before carrying out multiple regressions. This was a prerequisite before testing the hypotheses of this study.

4.9.2 Linearity

Linearity means the correlation between variables, which is represented by a straight line. Keith (2006) argues that linearity assumption is the most crucial of all the assumptions as it relates to the bias of the results of whole analysis. It is crucial to test the relationship of the variables to identify any departure that may impact the correlation. If linearity is violated all the estimates of regression coefficients, standard errors, and tests of statistical significance may be biased. When bias occurs it is likely that it may not reproduce the true population values. If the value significantly deviates from linearity >0.05, then the relationship between the independent variable are linearly dependent while on the other hand if the value significantly deviates from linearity <0.05, then the relationship between the independent variables with the dependent is not linear.

Correlation coefficient which also measures linear association between two variables was applied and the data lacked the association. The linear relationship is only between competitive aggressiveness and Proactiveness. However proactiveness is negatively correlated. In Table 4.16, the variables were transformed where y changes to log of y. The results as presented in the table still indicate lack of linearity/significant among variables. However the scatter plots used and they indicate Linearity in the data (APPENDIX IV). Meaning if the Entrepreneurial orientation is treated using a linear regression model which assumes a predictable unit increase input variable, there should result to a fixed increase in the output variable. The study proceeded to perform regression regardless of lack of linearity while using correlation coefficient measures. This is because testing using Scatter plots showed linearity. Though still this implies that the results have to be interpreted with caution and recommend that the same study to be analyzed using a non linear model.

4.9.3 Test for Normality

The study sought to test for normality of the data. If the tests are not significant ($p>0.05$) then it means the distribution in the sample is not significantly different from normal distribution (Field, 2005). Because the sample was less than 2000, then Shapiro and Wilk test were used. (Tabachnick & Fidell, 2007; Hair et al., 2010). The assumptions of normality can be examined at univariate level (i.e. distribution of scores at an item-level) and at multivariate level (i.e. distribution of scores within a combination of two or more than two items). Table 4.17 shows the results from these tests and revealed that all the variables were not normal; however looking at Q-Q plot and the histogram, the departure from normality is not so big. Meaning that when all the variables are controlled, innovation has no influence on performance but proactiveness significantly influences performance in a negative way. Consequently competitive aggressiveness is also a sign predictor of performance.

Table 4.24: Test of Normality

Variables	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Performance	.213	203	.000	.901	203	.000
Innovativeness	.152	203	.000	.958	203	.000
Risk taking	.133	203	.000	.965	203	.000
Proactiveness	.123	203	.000	.967	203	.000
Competitiveness	.152	203	.000	.946	203	.000

a. Lilliefors Significance Correction

The data does not deviate from normality in a big way and can be used for further analysis. Further analysis using Q-Q plot observed value by the graphs and the histogram showed normality.

4.9.4 Test for Multicollinearity

Multicollinearity means that two or more of the independent variables are highly correlated and this situation can have damaging effects on the results of multiple regressions. The tolerance measures the influence of one independent variable on all other independent variables; the tolerance is calculated with an initial linear regression analysis. Tolerance is defined as $T = 1 – R^2$ for these first step regression analysis. Table 4.25, gives the results of Multicollinearity for this study. The largest VIF should not be greater than 10, and the tolerance value should not be much higher than 1 (Field, 2005). Multicollinearity is detected using variance inflation factor (VIF) in regression analysis. It estimates how much the variance of a regression coefficient is inflated due to multicollinearity in the model. A value of 1 indicates that there is no correlation between this independent variable and any others. VIFs values between 1 and 5 suggest variables are moderately correlated while those greater than 5 represent critical levels of multicollinearity where the coefficients are poorly estimated and the p-values are questionable.

Table 4.25: Test for Multicollinearity

Variable	Collinearity Statistics	
	Tolerance	VIF
Innovativeness	.749	1.335
Risk taking	.672	1.487
Proactiveness	.875	1.143
Competitiveness	.821	1.218

The study variables were centered by subtracting their means in order to address the problem of Multicollinearity for each variable (Field, 2005).

4.9.5 Regression on Effect of Entrepreneurial Orientation on Performance

The study sought to establish the relationship between the independent and the dependent variables using regression analysis. The results were computed and presented on table

Table 4.26: Regression Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.366a	.134	.117	.54428

a. Predictors: (Constant), Competitiveness, Proactiveness, Innovativeness, Risk taking

In Table 4.26, the R is the square root of R-Squared and is the correlation between the observed and predicted values of dependent variable which is correlation between EO and performance. R-square can take any value between 0 and 100 and measures how well regression model fits the observed data (CIF, 2015), consequently, a higher R-square indicates a better fit for the model, however not always. The quality of the statistical measure depends on many factors such as the nature of the variables, the

model, the units of measure of the variables and the applied data transformation. Sometimes a high squared can indicate problems with the regression model (CIF, 2015). Accordingly there is no universal rule of how to incorporate the statistical measure in assessing a model, hence a good model may show a small value. The R^2 (R-Square) of .134 for this study indicates that the variation in performance explained by the independent variables (innovativeness, risk taking propensity, proactiveness and competitive aggressiveness) is 13.4%, while if the model was repeated on another sample it will yield an R- square of 11.7% which is the adjusted R-square. The adjusted R square yields 11.7%, making a difference of 1.7% which is minimal or negligible hence proves that the model is valid. This means that the sample data provide sufficient evidence to conclude that the regression model fits the data better and the independent variable improves the fit.

Kaufman, and Kaufman (2004) also noted that some fields of study have an inherently greater amount of unexplainable variation, and are bound to be lower. This is especially in explaining human behavior which is hard to predict**.** The R in the model is the coefficient of correlation and it measures the strength of linear association between variable X and Y, or how strongly a pair of variables are related . It usually varies between +1 and -1,and if I closer to 1, the variable are said to be highly linearly proportional and vice versa, (Rana, 2018). The study results indicate an R (Coefficient of correlation) of .366 which can be round off to 37 percent degree of association between X variable (Entrepreneurial Orientation) and Y (performance) of agricultural co-operatives in the county. The R of 37 percent for this study is farely good which indicates the relationship between the entrepreneurial orientation and performance of agricultural co-operatives is 37 percent. The standard error of the estimate is a measure of the accuracy of predictions made with a regression line which is .54428 for this study. It is an important indicator of how precise an estimate of the population parameter the sample statistic is (McHugh, 2008).

Table 4.27: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.093	4	2.273	7.674	.000b
	Residual	58.656	198	.296		
	Total	**67.749**	**202**			

a. Dependent Variable: Performance

b. Predictors: (Constant), Competitiveness, Proactiveness, Innovativeness, Risk taking

The study results on ANOVA indicate that the regression model was significant at (F=7.674, p=0.000), and fit for the study indicating that all the variables that were used in computation of the regression model were suitable and important in the study. The independent variables i.e innovativeness, risk taking propensity, proactiveness and competitive aggressiveness that were used in the study affect the dependent variable; performance either positively or negatively. Hence there is a statistical relationship between the independent variables. The difference between the means is not to chance and is probably due to the independent variable manipulation. The ANOVA model indicates that the model was significant and the independent variables had a significant influence on the dependent variable and the correlation between the model and the dependent variable is statistically significant. Though these results are conflicting test results. This could be because the F- test sums the predictive power of all independent variable and determine that it is unlikely that all the coefficients are equal to zero. However it is also possible that each variable is not predictive enough on its own to be statistically significant.

4.10 Hypothesis Testing

Hypothesis one (H_{O1}): Innovativeness does not have a significant influence on performance of co-operatives. The hypothesis addressed the influence of innovativeness based on objective one. This assisted to answer the question as to whether innovativeness has an influence on performance of agricultural co-operatives in Uasin Gishu County. The coefficients for each of the variables indicates

the amount of change one could expect in performance given a one unit change in the value of that variable, if all other variables in the model are held constant. Correlation analysis indicated that there was no correlation between innovativeness and performance among agricultural co-operatives. However the standardized Beta values from regression analysis indicate that there innovativeness has affected performance at 6.1 percent. This may mean the level of uptake of innovativeness among agricultural co-operatives within the county is still low.

Table 4.28: Regression Coefficients

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.233	.596		5.422	.000		
	Innovativeness	.061	.105	.044	.581	.562	.749	1.335
	Risk taking	.070	.113	.050	.623	.534	.672	1.487
	Proactiveness	-.410	.116	-.251	-3.547	.000	.875	1.143
	Competitiveness	.461	.108	.311	4.268	.000	.821	1.218

a. Dependent Variable: Performance

The regression results indicate that there is no significant relationship between innovativeness, and the performance β = 0.061, t=.581, p=.565) when the other variables are held constant. The study failed to show the significant relationship. Under the null hypothesis, $H_{O1,}$ then we fail to reject the null and conclude that the study was not able to show the relationship that exist between innovativeness and performance of agricultural co-operatives in Uasin Gishu county. However when we look at Beta values, there was innovativeness of .061 however small.

Kauffman (2004), to reject the null does not necessarily mean that there was no relationship but that the study was unable to detect the relationaship between the variables. This is so because it is possible that the results of the research study were obtained by chance or error and may not accurately represent the actual state of things. Tamhane and Dunlop (2000), have also noted that if the data fail to contradict

the null hypothesis (Ho) beyond a reasonable doubt, then Ho, is not rejected. Accordingly, failure to reject Ho does not mean that we accept it as true. It simply means that the null (Ho), cannot be ruled out as possible explanation for the observed data. The significance result may be that significant results existed, but there was insufficient power to detect them. (Dawson, 2004).

If we were to accept the null hypothesis, the reliability of the conclusion would be measured by β, which is .061 meaning the extend to which innovativeness affect performance withn agricultural co-operatives. Therefore the probability of atype II error, hence the only way in which the null hypothesis can be accepted with certainty is to know the population parameter (Best & Kahn, 2003). Kaufman also advises that the study results can be statistically significance but clinically meaningless .Theefore the real value of a research finding lies in its clinical significance and not in the p-value because clinical significance shows how things are done in the real world . Accordingly the p-value is essential in determining how likely a result is to be true or due to chance. The results agree with the key findings by Karimoto (2012), who found out that the co-operative legislation has placed institutional restraint prohibiting trade with non members and mergers beyond prefectural boundaries that created specifications of governance in co-operatives. Hence,co-operatives have to rely on the closed membership to comply with rigid regulations. This result also agree with results by Erick, Mitchell and Roth (2013) who allude that though managers know that innovation is the ticket to successful growth, they can't seem to get it right and that they keep improving their existing products and services to meet their best customers need, only to eventually run into the innovators dilemma facts which Christeien calls innovators dilema (Christensen, 2018).

Equally the study results agree with findings by Olowanye (2016) who found that Nigerian Managers were averse to innovation, He found a negative relationship between innovation and Returns on Asset as a measure of performance. Study also agree with Kusumwardhani (2009) on framework of Entrepreneurial orientation and networking on performance in developing countries. He alludes that EO are considered insufficient for the SMEs to enter global markets due to lack of resources,

knowledge as well as access to foreign markets. Also agreeing with a study by Kiruki (2016) on EO on performance of social enterprises in Kenya, who found a positive but insignificant and low levels of EO uptake. Muthoga (2018), also averts that innovativeness does not influence micro insurance uptake. The study also agrees with a study by Prabin Raj (2016) carried out a study on Entrepeneurial Orientation and business performance of handicraft industry in Nepalese and found no relationship between innovation and business performance. However, the results disagrees with studies by Kaufman (2000) who linked innovativeness to organizational performance and urged that firms must innovate to gain a competitive edge in order to survive and grow. Further study results also disagrees with Mukami (2014) who alludes that the process of creative destruction is initiated by an entrepreneurial behavior which makes innovation an important success factor within organization.

Similarly the study also disagree with study findings by (Otieno et al., 2012) who found that the survival of many organizations depends on their developing and marketing successful new products and managing them throughout the product life cycle. A study on effects of innovation Strategy on firm performance in Telecoms Industry found a relationship between product and process innovation but it was not significant, while there was a positive relationship between market innovation and performance. However, in this study,in the regression model, innovativeness contributes only 06.percent to the performance of the co-operatives when employed. This study also disagrees with findings by Kuratko and David, (2012) who emphasized that the essence among researchers studying innovation, is its influence on performance, which could be traced back on Schumpeter (1934) who, looked at economic development as a process of quantitative change, driven by innovation. Innovativeness has been linked to organizational performance and that firms must be innovative to gain a competitive edge in order to survive and grow in the current turbulent environment (Kimutai, 2018).

The results also disagrees with Waithaka (2016); Osoro et al. (2012); Kihoro et al. (2012), Otieno et al. (2012) all who found a positive influence of EO on performance. However, this may not be the case with agricultural co-operatives in

Uasin Gishu County. Their level of EO uptake as depicted by study results is still very low (6 percent). This could be reason for the low activity experienced leading to dormancy. The farmers grow same crops on the same land, use same farming techniques all through (ROK, 2016, 2017; ILO, 2010). The results of the study indicate no statistical relationship between innovativeness and performance of agricultural co-operatives. This could explain why most of them are dormant. Cnsequently out of the registered co-operatives within the county only 32percent are active (UCISP, 2012). The low uptake of innovativeness exhibited within agricultural co-operatives within Uasin Gishu county could also be associated with co-operative regulations and principles. (ROK, 2004).

Hypothesis Two, (H_{O2}); There is no significant relationship between Risk taking, and performance among agricultural co-operatives in Uasin Gishu county. Results indicate that for every one unit increase in risk taking propensity, there will be an increase in performance by 7 percent, when other variables are held constant, (β = 0.070, t= .623, p =.534) and conclude that risk taking has no statistical significance on performance of agricultural co-operatives. Equally, the study failed to show a statistical relationship between risk taking and performance of co-operatives. Under the null hypothesis, H_{O_2}, then we fail to reject the null that risk taking has no influence on performance and the increase of 7 percent in performance could have been due to other factors or the study lacked robustness to detect the relationship that really exists.

Therefore, this study agrees with study by Monsen and Wayne (2009) who asserts that the average entrepreneur prefers certainty even if it could involve a lower level of business performance. Wanyama (2012), notes that agricultural co-operatives, like all agribusinesses, operate in an inherently risky environment while certainly not ignoring risk, where most co-operatives have chosen a path of risk accommodation, in particular through the holding of internal capital reserves, against active risk management. The results also agree with a study by Kiruki, (2016) that social enterprises in Kenya exhibited low levels of risk taking. Also agreeing with a study by Olowanye (2016), who found a negative relationship between risk taking and Return on Asset, but a positive relationship between risk taking and Return on

Equity. The results also agree with Dzulkanan, (2014) on a study on Co-operatives in Malaysia that risk taking did not show significant relationship with the firms performance. However, the results of the study disagrees with results by Mwai et al. (2018), on family owned businesses in Nairobi where risk taking and innovativeness were positively associated to performance among supermarkets. Khurran (2017), also found all the five constructs of EO among them risk taking propensity to be positively associated with performance.

Hypothesis Three, (H_{O3}); There is no significant relationship between proactiveness, and performance among agricultural co-operatives in Uasin Gishu county. Regression results on proactiveness, also indicate that for every one unit increase in proactiveness, when all other variables are held constant, there will be a decrease in performance (β= – 410, t= -3.547, p= 000) or a one unit decrease in proactiveness, would yield a unit increase in the in the predicted variable. The negative coefficient means that there is an inverse relationship where an increase in an input variable leads to a decrease of -3.547 in performance and vice versa and the relationship is a significant. Therefore we reject the null hypothesis that proactiveness has no influence on performance. Which can be interpreted to mean that high levels of proactivity among co-operative employees is significantly related to co-operative performance. The negative coefficient indicates that the greater proportion of employees being proactive the lower co-operative performance. Also the lower proactiveness, by a unit, indicates an increase by one unit in the performance when all other variables are held constant. Dzulkanan (2014) notes that the same observation relate to risk taking propensity whereby, seemingly because proactiveness and risk taking propensity of employees are highly related to management tasks. Consequently, management indifference on employees activities and lack of support, functions more as a proxy for poor performance among co-operatives.

These findings agree with studies by Kiiru (2012) who alludes that, being a first entrant into a market is not necessarily a guarantee of a durable competitive advantage. Facts which Cahill (1996) and Kiriku (2012) agrees to and states that increased earnings might not always be predictably associated with higher levels of

proactiveness but that this depends with the specific context, that is appropriate to proactiveness as a dimension of entrepreneurial orientation. The results also agree with findings by Olowaye (2016) which found that Nigerian managers were averse to innovativeness and proactivity. The study also disagrees with researchers Andrew, Thomas, Bateman and Crant (2006) and Wambugu (2015) who found that pro-activity, is an instrumental trait because it is part of a class of behaviors that impact the environment positively. The proactive dimension of entrepreneurial orientation is about exploiting product and market opportunities, which is positively and significantly associated with increased earnings. Guddah (2017), also refers to a study by Piirata (2012) which found a correlation between the owner assertiveness and the CEO's assessment of business volume earnings, sales etc. and archival sales figures. The findings in this study could mean that the nature of co-operative enterprise does not allow employees to undertake any activity as individuals without getting in trouble with the employer who is the members. When it comes to co-operatives, proactivity is constrained by its nature because they are formed and managed democratically by all members. Employees are not free to invest diversely without the sanction of members which comes once in a year during the Annual General Meeting (AGM) (ROK, 2004, 2016).

Blumentritt and Danis (2006) notes that the agribusiness co-operatives are characterized, mainly by conservative or defensive technological problem and entrepreneurial problem with both prospective and defensive characteristics and by a conservative administration problem.

Hypothesis Four (H_{04}); States that there is no significant relationship between competitive aggressiveness and performance of co-operative societies in Uasin Gishu County. The hypothesis addressed the relationship between competitive aggressiveness and performance. The Information in this section was based on; production of quality products, presence of patented products, effective networking, and products of close substitutes and, increase in sales volume. The market having expanded significantly, the suppliers are steady and prompt, and if co-operative can access the market easily. Regression results on competitive aggressiveness indicate that holding other factors constant , a one unit increase in competitiveness will lead

to an increase in performance by (β= .461, t=4.268, p=000). Therefore we reject the null hypothesis that competitive aggressiveness does not influence performance and accept the alternative that competitive aggressiveness has an influence on performance among agricultural co-operatives within the County. This seem to indicate that the percentage of employee involvement in competitive aggressiveness is an important factor in predicting performance in co-operatives. This study agrees with studies by Covin and Covin (1990) who argue that a passive competitive orientation might place lower levels of constraints upon resources than that of an aggressive competitive orientation. According to this orientation, a passive competitive orientation might only be more appropriate in certain contexts. The results also agree with Khurran, (2017) where all the five constructs of EO have an influence on performance positively. Contrary, the study disagrees with (Kiiru, 2012) whose findings did not reveal a correlation between competitive aggressiveness and performance for nonprofit firms. Also disagree with Dzulkanan (2014) who found no significant relationship among Co-operative firms in northern Peninsular with performance. This could imply that employees of agricultural cooperatives who have engaged in competitive aggression have improved performance in terms of sales, profits and dividents. There is a possibility that agricultural co-operatives in the county have been motivated to compete so as to benefit from the many awards that the county under co-operative movement is offering to those co-operative that are outstanding in performance in certain areas (Uasin Gishu county strategic Plan, 2012). The county has set up the county co-operative day in every month of July where members meet in a workshop set up and are trained in various topical and innovation issues.

During the co-operatives' day, each registerd co-operatives showcase their activities, for viewing and assessment by various groups including county assessment officials, county excutive members. Marks are awarded and the best performing co-operatives are recognized by being rewarded. The coefficient of .461 indicates that competitive aggressiveness improves performance to the extent of 4 percent. The study results on coefficients indicated that the regression equation was modeled as follows; $Y=B_0+B_1X_1+B_2X_2+B_3X_3+B_4X_4+B_5X_5$

The regression equation computed was;

Y= 3.233(c) +0.061 innovativeness +0.070 Risk taking+ -410 proactiveness +.461 competitive aggressiveness+. 544

X_1-Innovativeness

X_2-Risk taking

X_3-Proactiveness

X_4-Competitive Agressiveness

On entrepreneurial orientation, the study results are partially in agreement with Kiriku (2016) on a study conducted by Pearce, Fritz and Davis (2010) amongst the religious organizations in the united States on the assessment of performance based on EO. The relationship on both one-dimensional and multidimensional base, had their findings indicating that there was positive association, between one-dimensional EO based on performance while on multidimensional basis, only innovation dimension had a positive significance influence on performance while risk and proactiveness dimensions exhibited a negative significant correlation, which agrees with study by Miles, Verreynne, Eversole and Barraket, (2013) carried out in Australia to establish whether EO exhibited by social enterprises impacted on their performance.

They concluded that the relationship was yet to be conclusively tested and recommended for further studies in less developed countries to validate the relationship as this studies was carried out in developed country where a majority of the citizens enjoyed economic freedom. However the study results disagrees with a study by Otieno et al. (2012) on the influence of Entrepreneurial Orientation on performance of Manufacturing firms in East Africa which revealed that performance of Kenya's manufacturing firms operating under the East African Community

regional integration, are significantly influenced by Entrepreneurial Orientation, in terms of sales, Profits and employment as a measure of firm performance.

Okeyo et al. (2016) carried out a critical Literature review and concluded that studies using a three factor model have reported different results with those a adopting the five factor approach. This has led to inconsistencies in the empirical results of EO on firms performance and concluded that the link between EO and performance relationship is still worthy area for further study since recommendations still exist in empirical studies.

From the foregone discusions, findings from this study therefore indicate that the level of entrepreneurial orientation uptake among agricultural co-operatives is still low though it affects performance. Innovativeness is at β=0.061, Risk taking β=.070, Proactiveness β= -.410 and Competitive Agression at β=.461. This study findings therefore indicate that the one unit decrease in proactive leads to an increase in agricultural co-operative performance and vice versa, while an increase in competitive aggressiveness leads to an increase in performance among agricultural co-operative. These coefficients are generally low. Innovativeness, and risk taking have insignificant values at p=.581 and p=.623 respectively, while praoctiveness and competitive aggressiveness has both p=.000.

Table 4.29: Summary of hypothesis testing

H_o	Statement	Results
H_{o1}	There is no statistically significant relationship between innovativeness and performance of agricultural co-operatives in Kenya.	The study was not able to reject the null with a p=0.562,=. β 061 t=0.581,
H_{o2}	There is no statically significant relationship between risk taking and performance of agricultural co-operatives.	The study was not able to reject the null with a p=0.534,= β 0.070, st=0.623
H_{o3}	There is no statistically significant relationship between proactiveness and performance of agricultural co-operatives.	The study rejected the null with a p=.000, t=-3.547, β =-410

H_{o4}	There is no statistically significant relationship between competitive aggressiveness and performance of agricultural co-operatives.	The study rejected the null with a p=.000, t=4.268, = β 0.461

4.10. Qualitative Analysis

This section explains the qualitative analysis of research variables. The Independent Variables were measured by entrepreneurial orientation in terms of innovativeness, risk taking propensity, proactiveness and competitive aggressiveness. The dependent variable performance was measured in terms of size of cooperative assets, sales volume changes, increase in the size of market share and amount of dividends payout.

Interview material was transcribed and due to the small number of participants, was examined manually to identify common themes. This was an inductive thematic analysis methodology (Braun & Clarke, 2006). This method is used to explore semantic information obtained from retrospective interviews relating to the experiences of transition to work and identity frequent and salient themes within the data (Buetow, 2010). Questions asked on entrepreneurial orientation constructs were compared for similar or different themes.

Table 4.30 Interview Question for Staff at the cooperatives on entrepreneurship orientation

Theme **Innovativeness**	**Staff**
Q1. Entrepreneurial orientation influence on performance	What influence does entrepreneurial orientation have on Performance?

Q2.The cooperative background	How many years has the cooperative been in operation?
Q3.Novelty	Are there any new ventures the cooperative has engaged in during the last three years? -Production processes -New Markets - New Product -New combinations
Risk taking propensity **Q4.** Managers initiatives	Do managers propose/ undertake new ventures for the cooperatives?
Q5. Risk takers/ Averse	How do managers undertake the uncertainties in the cooperative?
Q6. Resources	Do you think resources are allocated appropriately in your cooperative?
Q7. Influence of risk taking influence performance in any way?	What risks are associated with your cooperatives? -Inadequate market? -Distribution of approaches -inappropriate price- -Not producing.
Proactiveness **Q8**.Importance of ability to influence tasks	Are workers permitted to initiate new activities without consulting the farmers?
Q9. creativity influence performance	Does creativity influence performance of your cooperative in any way?
Q10. Being first to initiate change	**Is your co-operative always a head of others in introducing new products**
Q11. The influence of the laid down procedures and rules	Does the cooperative follow the laid down procedures and rules strictly while carrying out its operation?

4.7.1 Findings and Discussion of Interview

The aim of the study was to seek the views of the employees and committee members on the influence of entrepreneurial orientation on performance of their cooperative societies. Prior to interviews, participants completed questionnaires to obtain basic demographic information as well as their view about aspects of their entrepreneurial orientation i.e innovativeness, risk taking propensity, proactiveness and competitive aggressiveness, so that this could be cross matched with interview responses. Eleven similarly warded questions were asked to ascertain the main themes among their answers. The following analysis and discussion relates to answers and excerpts from a fully transcribed interview material.

Q1.Entrepreneurial orientation Influence

In response to the question on the influence of innovativeness, the first respondent had this to say;

Carrying out new undertakings is very important to our cooperative. We have been producing same products for so long. We have even tried chicken raring, improved breeding, even visited Central province and learned how to grow macadamia nuts. But after sharing the new experience, it's up to individual farmers now to take up the challenge of producing macadamia and trying out other activities but not as a co-operative. If its only three farmers growing of the nuts, then it is not profitable in terms of marketing. Eventually it was abandoned.

On what the co-operative does majorly, the second respondent agreed that entrepreneurial orientation was important in making their farms more like enterprises

to generate revenue that their cooperatives needed most so that they can meet their daily needs and educate their children. He agreed that undertaking farming activities differently would help them. He lamented that the price of maize has been continuously falling against the ever raising inputs hence making farming very expensive.

We engage in all activities that are beneficial to the farmers such as buying farm inputs for the farmers, selling/ marketing farm produce, looking for title deeds for farmers. But as management we cannot decide to do anything on our own for the members (cooperative) without the groups blessings.

Q2. The background of cooperatives

Most cooperatives indicated that the cooperatives that were located within the peri urban centers benefited in terms of infrastructure and information. The respondents also indicated the preference to supply their milk to KCC because of it offers higher prices, the commitment to training farmers on fodder production and storage. It was reliable and had offered them many goodies like free consulting, advice. Still as much as their cooperative was registered as a dairy cooperative, it engaged in several activities.

"We have been members of KCC for very many years, since 1980s when KCC was alone. We tried supplying to processors such as Donyo olesos, Brookside but we decided to stick with the new KCC. They train us on how to grow fodder, storage and even feeding quantities to be able to produce quality milk during dry season. KCC offers better prices and are prompt in collecting milk. They have now introduced

coolers where we can store the milk until the following day for them to collect the next day if we did not collect enough.

Q3. On the influence of Novelty on performance of cooperatives/whether undertake new ventures for the cooperatives

The cooperative has ventured in new frontiers but are yet to attract/ convince many farmers to produce other crops other than the perennial cereals. When a crop is produced by one farmer, it is of no benefit to the cooperative because that farmer will have to look for a market alone. We are also storing cereals on behalf of farmers at a small fee.

On the new market, the farmers lamented that they had nowhere to sell their maize as cereals no longer buys from farmers. They depend on the informal market which is not reliable. "We are selling to millers at any price. On starting other firms, some reported to have and operate their own firms like agrovets, Mpesa, Banking services(Equity, cooperative, kcb agents).The farmers get services from these firms against their stock. This arrangement has also helped them safe the lives of livestock, in case of animal falling sick and the farmer does not have money. They have designated veteinery doctors who treat animals on behalf of the cooperative against the farmers supply. In a way these arrangement helps farmers to sustain a continuous supply.

Some have a combine harvesters, tractors and a van/ canter for their own use and hiring out to the farmers at a subsidized fee which they eventually share

Being innovative could also mean venturing in new undertakings.

Q5 & 6. Do you think resources are allocated appropriately in your cooperative?

The respondent acknowledged that the former managers were corrupt but the government has helped by providing auditing services which serves like a watchdog for the members hence the resources cannot be appropriated without the members full authority. Co-operative resource is well allocated.

Q7. About the question on risk undertakings as to whether their cooperative engage in risky ventures. The respondents alluded that all the activities undertaken at their cooperative were risky. Sometimes when they buy farm inputs on behalf of the farmer, and it turns out that it was fake. This is normally realized late when the crop becomes vulnerable to all diseases including pests and even dryness. It could be maize seed, or fertilizer. But this does not deter memebrs from buying again because of cheaper prices offered when the purchase is in bulk. Equally storage of cereals is a risky venture because anything can happen to the stock. Sometimes during transportation of farmers' maize to the cereals, it is exposed and farmers tend to incur losses. Risks for a farmer are numerous and they eventually affect cooperative performance. Sometimes there is drought, other times there are floods, other times there are pests and diseases without cure and anytime this happens then the activities of cooperatives are affected.

The qualitative results described agreed with a study that has, posited that Entrepreneurial Orientation needs to be combined with other business orientations such as market orientation, learning orientation, and employee orientation for organizations to achieve optimum performance (Grinstein, 2008; Idar & Mahmood,

2011; Wang, 2008). Additionally, it is also argued that high Entrepreneurial Orientation does not guarantee continued improvement in organizational performance, especially in agricultural economies for lack of institutional support, organizational formalization, and experienced managers (Zhang and Zhang 2012).

The findings also indicate a characteristic scarce resources while the cooperatives have to leverage a mix of orientations and strategies that can allow them to succeed in the small local markets. (Dollinger 1999). The Resources Based Theory holds that sustainable competitive advantage is created when firms possess and employ their own resources.

In addition, this interview agreed with (Grant, 1999) who conducted a qualitative study on born global and found that they tend to leverage technological prowess, relatively unique products and a strong quality focus to sell their offerings through independent distributors in markets worldwide. Also operational attributes, entrepreneurial culture, marketing skills, superior and distinctively positioned products all emerged as important capabilities for success. They emphasized organizational capabilities as the main source of a firms performance advantage also noting capabilities are dynamic reflecting. Results which Khurram Aziz and colleagues (2017) also agreed with when they carried out research on qualitative research on influence of entrepreneurial orientation on performance in SMEs in Pakistan

Q8. Whether employees are permitted to initiate new activities without consulting the members. This the respondent confirmed that no employee can undertake any activity in the co-operative on behave of the members without the

consent of all the members during the AGM. However individual farmers have the liberty to undertake any new farming activity the deem fit.

Q9 Is your co-operative always a head of others in introducing new products.

Not necessarily. The employees must benchmark and wait for confirmation from members. If any tries any thing without being given permission, the management quickly decides and the employee can be sucked immediately.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the summary conclusions and recommendation derived from the study, contribution to new knowledge and suggestion for further studies.

5.2 Summary

The purpose of the study was to determine the influence of Entrepreneurial Orientation on performance of agricultural co-operative societies In Uasin Gishu County. The following were determined: the influence of Entrepreneurial Orientation on performance of agricultural co-operatives. The section deals with summary of the study results based on discussion of the findings pertaining to specific objectives;

The study was guided by the following theories; Schumpeter's theory of Innovation, Resource Based theory of Competitive Advantage and Situational Leadership theories to examine the relationships in the study. A pilot study was carried out in Kimini sub county, of Trans Nziah county. A cross sectional descriptive survey research design was adopted for the study, where reliability tests were done.

5.2.1 To establish the Influence of Innovativeness on Performance of Co-operatives in Kenya.

CorrelationalIt was observed that one way of measuring innovativeness is through introduction of new products. The majority of the respondents disagreed that their co-operatives had introduced new products. It was also observed that most agricultural co-operatives in the county have introduced both transport and storage coolers to keep the milk fresh for days before it can be transported to the processor. This enables to operate full day. However there was no significant correlation between added assets and performance of agricultural co-operatives at 0.005 level of significant as they had not introduced any new products apart from the conventional products which is mainly milk and cereals.

On continuous improvement on services, majority respondents agreed that there is a continuous improvement of services in their co-operative. On the continuous revision of services, the results indicate that a majority percent agreed that their services have been revised considerably in the last three years. According to innovation theory, introduction of new products could mean innovativeness and ability of a firm to grow is characterized by its ability to introduce new and novel ways of doing things. The results also indicate that agricultural co-operatives have new sources of supply. A majority strongly agreed that the employer gives room to the employees to try new ways of doing things and had a statistically insignificant Beta value at 0.05 level of significance.. As to whether the co-operatives engaged in new technologies, a majority agreed. Other than the conventional functions of an agricultural co-operative such as storage, marketing, etc, most agricultural co-operatives have introduced other businesses that does not only serve the memebrs but the community as awhole.Such businesses/ organisations included mobile/agent banking services agrovets, and mpesa services. The Beta values indicate the influence of innovativeness though statistically insignificant at $p<0.05$ level of significance.

5.2.2 To determine the Influence of Risk Taking propensity on Performance of Co-operative Societies in Kenya.

The study sought to understand whether risk taking by executives in seizing and exploring chance for growth opportunities was a priority. The correlation results indicate that there is no statistically significant relationship between risk taking and performance among agricultural co-opertatives in Uasin Gishu county. However the Beta values in regression analysis indicate that risk taking is a factor that influence performance among agricultural cooperatives. Majority of the respondents agreed that their co-operatives take up calculated risks as a priority. On liking for high risk projects, the majority, strongly agreed that their co-operatives like high risk projects. Whether their firm emphasizes exploration and experimentation for opportunities, the majority also strongly agreed. Correlationa analysis also indicated a statistical relationship with firms emphasizing both exploration and experimentation for opportunities, taking up bold wide ranging acts to achieve the co-operative objectives, co-operative typically adopts a bold posture in order to maximize the

probability of exploing opportunities and whether the term risk taking is considered a positive attitude for members, were significant all at 0.05 level of significance. However the standardized coefficient Beta values were a statistically insignificant at p> 0.05 level of significance. Confirming that risk influence performance though this study lacked the robustness to bring out the relationship.

5.2.3 To evaluate the Influence of Proactiveness on Performance of Co-operative Societies.

Correlationa analysis results indicate that proactiveness had influence on performance with performance five indicators, increased sales revenue, increased profits, added employees and dividends/ wealth growth were all had correlation coefficient values that were statistically significant at 0.05 level of significance. This was further confirmed by standardized coefficient Beta values for proactiveness which had correlation coefficient values that were statistically significant at 0.05 level of significant.

Therfore the specific objective that sought to determine the influence of proactiveness on performance was positively determined. Proactiveness has statistically significant relationship with performance among agricultural cooperatives at 0.01 level of signicant.

5.2.4 To examine the Influence of Competitive Aggressiveness on Performance of Co-operative Societies in Kenya

The study sought to examine the influence of Competitive aggressiveness on performance of co-operative societies. The correlation analysis results indicate that competitive aggressiveness has statistical significant relationship with performance. All the correlation coefficient values were statistically significant at 0.05 level of significant. Therefore that the specific objective that sought to determine the effect of competitive aggressiveness on performance was positively determined. Competitive aggrssiveness has statisctically significant relationship with performance among agricultural co-operative at 0.01 level of significant.

Therfore the specific objective that sought to determine the influence of competitiveness aggressiveness on performance was positively determined. Competitiveness aggressiveness has statistically significant relationship with performance among agricultural co-operatives at 0.01 level of signicant.

5.3 Conclusion

The study was concluded based on findings from descriptive and inferential statistical analysis of each of the five specific objectives and hypotheses relatating to the influence of Entrepreneurial orientation on performance of agricultural co-operatives. The independent variables were: innovativeness, risk taking propensity, proactiveness and competitive aggressiveness. They were measured in terms of increased assets, change in sales volume and profits, change in the number of employees. From study findings, innovativeness and risk taking propensity were insignificant both at 0.01 percent significant level while proactiveness and competitive aggrssiveness were significant 0.05 and 0.01 level of significant respectively.

5.3.1 Establish the Influence of Innovativeness on Performance of Co-operatives in Kenya.

From the findings, the study was not able to detect a statistical significant influence of innovativeness on performance of agricultural co-operative societies in Uasin Gishu County at 0.05 level of significance. Data analysis and interpretation of the questionnaire from the staff, revealed the following major findings under this objective. It revealed that the staff of the co-operatives had the opinion that innovativeness is not a factor that contributes to performance of agricultural co-operatives in the county. This objective intended to test if innovativeness is a factor that influences performance of co-operatives in Uasin Gishu County, because only 32% of agricultural co-operatives within the county are active. The findings from Pearson correlation revealed that there was no correlation between performance and innovativeness. The regression analysis also revealed that there was no significant relationship between innovativeness and the performance of agricultural co-

operatives. Since the models indicated statistically insignificant relationship, therefore no further analysis could be carried out.

5.3.2 Determine the Influence of Risk Taking Propensity on Performance of Co-operatives in Kenya.

The second objective of the study was to determine the influence of risk taking propensity on performance of co-operative societies in Uasin Gishu County. Equally the study was not able to detect the relationship between risk taking and performance of co-operative societies in Uasin Gishu County. Correlation and Multiple Regression analysis revealed astatistically insignificant relationship between risk taking and performance in terms of changes in sales, profits , dividends, number of employees at 0.01 level of significant.

The findings revealed that the staff of co-operatives was of the opinion that risk taking was not a factor that determines performance among co-operatives within the county. This could mean that the staffs are opposed to risk taking as a way of improving performance. This could also agree with studies which allude that all co-operatives have chosen a path of risk accommodation against active risk management. While both traditional and innovative risk management tools provide co-operative managers opportunities to augment their risk exposure, and subsequently the risk exposure of their members, co-operatives in Uasin Gishu have decided to avoid risks in totality. Though entrepreneurship is about taking calculated risks in pursuit of an opportunity, the success of a business enterprise depends on the entrepreneur's ability to calculate, minimize and take risks. The main findings of the study revealed no relationship between risk taking propensity and performance at 0.01 level of significance. Regression analysis also revealed that when other factors are held constant, risk has no statistical significance on performance of agricultural co-operatives within the county. However, Beta values in regression model did indicate some risk taking as a factor that predict performance.

5.3.3 Evaluate the Influence of Proactiveness on Performance of Co-operatives in Kenya.

The study sought to find out the relationship between proactiveness and performance of agricultural co-operatives. Based on the findings, the following conclusions were made; Proactiveness was found to have asignificant influence on performance of co-operative societies though the coefficient is insignificant. Proactiveness dimension of entrepreneurial orientation is based on the exploiting the product and market opportunities which are significantly associated with increased earnings. The data was analyzed using regression models and study revealed that the staff is of the opinion that proactiveness has astatistical significant influence on performance at 0.05 level of significant.

5.3.4 Examine the Influence of Competitive Aggressiveness on Performance of Co-operatives in Kenya.

The study sought to examine the opinion of employees regarding the competitive aggressiveness of their co-operatives. Based on the findings, the following conclusions were made: competitive aggressiveness was found to have a significant influence on performance of agricultural co-operative societies at 0.01 level of significance. This dimension of entrepreneurial orientation assesses a firm's propensity to directly and intensely challenge its competitors to achieve entry or improve position to outperform industry rivals in the market place. Result from regression analysis showed that there was significant relationship between competitive aggressiveness and performance of agricultural co-operatives in Uasin Gishu County at 0.01 level of significance

An increase in competitive aggressiveness will yield a unit increase in performance among agricultural co-operatives.

5.4 Recommendations

Based on findings, two broad categories of recommendations were made namely: Policy recommendations for action by government authorities and recommendations for further research.

5.4.1 Policy Recommendations:

a) Stakeholder inclusivity in innovation training:

The results for first objective showed insignificant relationship between innovativeness and performance among agricultural co-operatives. Innovation just like any other management skill can be learned by anybody. Training on innovation should be formally introduced and tought to all the stakeholders in agricultural co-operatives within the county. This will help to enhance growth, improve firm performance, reduce dormancy and meet the objective of their formation. Training should focus on innovativeness, risk taking, proactivity and competitive aggressiveness of co-operatives. According to situational leadership theory, anybody with basic literacy skills could be appointed to a management position, provide leadership training as needed to support them in their new role. As cited by Simiyu (2017) that Gibb (2006) posits that everyone has some degree of entrepreneurial attributes. The determinant of who becomes an entrepreneur is what triggers the attributes in to action. On the other hand, Drucker (2007) argued that entrepreneurship is a form of behaviour and can be learned or increased through entrepreneurial training. Namusonge (2006) and Rakunga (2003) concur that although Entrepreneurial behaviour is an inherent quality, it can also be acquired or boosted through nurture (experience, education, entrepreneurial training and learning,).

Therefore training of stakeholders on innovativene agriculture in co-operative is crucial as agriculture is the backbone of the economy and aflagship sector for achieving vision 2030.

b) Stakeholder Input and Proactiveness

Further policy initiative by the government of Kenya to promote activity and reduce dormancy among co-operatives should have user and stakeholder input so as to identify the real issues affecting performance negatively. This will help facilitate the much desired growth which is required to realize vision 2030 especially pertaining to job creation, boosting . The government should be more sensitive to the needs of the co-operatives. Incubation for innovative ideas, technology adoption, co-operative, infrastructure development and development of conducive regulatory framework for co-operative development should be a priority.

c) Experiential learning exposure.

Networking for benchmarking purposes by the stakeholders to other counties should be encouraged. This will help to learn other new techniques through experience, that can be applied in agricultural co-operatives so as to improve performance. Encourage co-operative open /field day attendance forums. These are forums where the seller and buyer meet which should be facilitated by the government to boost co-operative growth and subsequent creation of jobs. The producers and buyers/consumers are able to understand fully the quality requirement of the buyers during such forums. The forums will enable co-operative establish particular market niches for higher income generation for the benefit of the shareholders.

d) Provision of Conducive Business Environment to Co-operatives in Kenya.

Government bureaucratic requlatory regime should be reduced to facilitate faster growth among co-operatives. For example multiple taxation, licenses, and levies in the National and county governments in Kenya are many and taxation rates should be reduced to an affordable level for all co-operatives to spur growth, increase compliance and reduce high levels of dormancy. The reduction of government bureaucratic and regulatory procedures will in effect improve performance.

e) Provision of Business Infrastructure and facilitation of Incubation

Entrepreneurship does not occur in vacuum. The government should provide business infrastructureto co-operatives such as coolers, vehicles/transport to facilitate movement of goods, construction of worksites and incubation centers for co-operatives operators where electricity, water, machinery and other infrastructure requirements are provided in apool at government subsidized rate. All these interventions will reduce level of dormancy and enhance growth.

f) Technology Adoption by Co-operatives in Kenya

The Kenya Government should develop a technology grants system to link universities, research and technology institutions like Kenya Industrial Research and Development Institute with Co-operatives. This will facilitate technology and innovation adoption and transfer for faster growth.

5.4.2 Entrepreneurship recommendation

There should be sound entrepreneurship policy in which entrepreneurship should be anchored. The policy will give guidance on training so as to attain the objectives of entrepreneurial orientation. The procedure should be clearly documented on training within the county so as to improve performance among agricultural co-operatives. There is need to provide adequate resources for achievement of set targets of managers in co-operatives in Kenya. The resources should include entrepreneurial skill, financial resources, information resources and human resources. The financial resources are the bloodline in any organization and they facilitate the achievement of the set objectives. Also it would help if a thorough needs assessment was carried out to identify what the real problems of non performance within co-operatives before undertaking any intervention.

5.5 Areas for further research

The study dwelt on assessing the influence of entrepreneurial orientation on performance of agricultural co-operatives in Uasin Gishu County. Therefore the study recommends the following areas for further researches; A further research

should be carried out where a census on all agricultural co-operative staff is done so as to give true factors that influence performance.

According to the findings of objective number one future research could take a longitudinal approach with enterprises divided up into the stages of growth putting in consideration the year of inception and the consequent rate of growth. It should also consider co-operatives before and after embracing Entrepreneurial Orientation.

Further research on Risk taking as astand alone variable should be carried out on co-operatives to determine its influence on performance. Prior research has been conflicting where some study found a no statistical relationship between risk taking and performance (Olowaye, 2016). While other studies found a statistically significant relationship between risk taking and growth among SMEs (Waithaka, 2016).

Further research should be carried out on the effect of independent variables of innovativeness, risk taking, proactiveness, competitive aggressiveness, and autonomy, on performance of co-operatives while using other performance measures apart from the traditional measures of sales, profit and number of employees (capital employed and employees earnings) and increased number of assets. This is due to the fact that most co-operatives have been formed for different reasons and not necessarily profits.

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APPENDICES

Appendix I: Questionnaire

Dear Respondent,

This research is being conducted purely for **ACADEMIC PURPOSE by CLARE M. K. SITUMA OF** School of Entrepreneurship, Procurement and Management, Jomo Kenyatta University of agriculture and Technology. Kindly spare a few minutes and answer all questions sincerely. The information given will be treated as confidential. The Research **Topic; Influence of Management Systems on Entrepreneurial Orientation on Performance of Cooperatives, in Uasin Gishu County, Kenya.**

Thank you in advance for **your** cooperation.

Clare M.K. Situma

CELL PHONE 0722459638

DEMOGRAPHIC DATA OF RESPONDENTS

For the following statements, tick one as appropriate

(1) What is your gender? Male { }, Female { }

(2) State your marital status; Married { }, Single { } others { }

(3)What is your age? Below 20{ } 20-30{ } 30-40{ } 40-50 { } above 50{ }

(4)Educational level; Primary { }, Secondary { } Collage { }

(5)Position held; Lower { }, Middle { }, High { }

6) Where is your firm located? Town { },Peri Urban{ } Rural { }.

(6)Nationality; Kenya { }, Non Kenyan { }

SECTION B

DEPENDENT VARIABLE; Performance of Cooperatives in Uasin Gishu County.

To what extend do you agree or disagree with the following statement as pertaining to Performance of Cooperatives in Uasin Gishu County.

Please indicate your agreement or otherwise with the following statement using the following scale of 1-5 where;

Strongly Agree=5, Agree=4, Neutral=3, 'Disagree= 2, strongly Disagree=1 (Tick the appropriate)

STATEMENT	5	4	3	2	1
1. The number of Assets has added in the last three years					
2. The number of employees has increased in the last three years					
3. The volume of sales has gone up in the last three years					
4. The market share has expanded in the last three years					
5. Costs have reduced in the last three years					
6. Dividends have increased in the last three years					
7. Salaries have increased in the last three years					
8. There is increase in sales of new products/services in the last three years					
9. There is increased efficiency					

SECTION C; INDEPENDENT VARIABLE; INNOVATIVENESS ON PERFORMANCE OF COOPERATIVE SOCIETIES

To what extend do you agree or disagree with the following statement as pertaining to Innovativeness on Performance of Cooperatives in Uasin Gishu, County.

Please indicate your agreement or otherwise with the following statement using the following scale of 1-5 where;

STATEMENT	5	4	3	2	1
1. My firm has introduced new products in the last three years					
2. The emphasis has been on continuous improvement in methods of production.					
3. Services in my firm have significantly been revised in the last three years.					
4. The markets have really expanded in the last three years					
5. New organizations have been established in the last three years					
6. There are major product/service modifications in the last three years					
7. Innovation is a key value in this firm					
8. There have been considerable inventions (Ideas) in the last three years.					
9. The ideas are normally developed (commercialization)					
10. There has been expansion into new markets.					
11. There are challenges in launching a new product.					
12. There have been meetings with researchers in the last three years					
13. There has been new partnerships with researchers in the last three years					
14. There has been training of employees in research in the last three years					
15. My firm is always the first business to introduce new product/services, administrative techniques, operating techniques etc.					
16. My firm has a tendency to be ahead of others in introducing novel ideas or products.					
17. My firm has had new lines of products/services as marketed in the past 3 years.					
18. My firms changes in product or service lines have usually been quite dramatic					
19. My firm actively introduces improvements and innovations in our business					
20. My firm seeks out new ways of doing business					

21. My firm is creative in its methods of operation					

Strongly Agree=5, Agree=4, Neutral=3, 'Disagree= 2, strongly Disagree=1 (Tick the appropriate)

SECTION D; Independent Variable; RISK TAKING ON PERFORMANCE OF COOPERATIVE SOCIETIES

To what extend do you agree or disagree with the following statement as pertaining to Risk Taking on Performance of Cooperative Societies

Please indicate your agreement or otherwise with the following statement using the following scale of 1-5 where;

Strongly Agree=5, Agree=4, Neutral=3, 'Disagree= 2, strongly Disagree=1 (Tick the appropriate)

STATEMENT	5	4	3	2	1
1. Risk taking by key executives in seizing and exploring chance growth opportunities is apriority					
2. The extent of risks involvement is satisfactory					
3. The resource allocation within the Organization is good					
4. Risk taking is a key value in this firm					
5. Large, bold decisions despite uncertainties of the outcomes are made					
6. Taking calculated risk is a priority					
7. My firm has a strong predisposition for high risk projects with chances of very high returns					
8. My firm often has had to take bold, wide ranging acts necessary to achieve our objectives					
9. My firm when confronted with decisions involving uncertainty, typically adopts a bold posture in order to maximize the probability of exploiting opportunities					
10. The term risk taker is considered a positive attribute for people in our firm					
11. People in our firm are encouraged to take calculated risks with new ideas					
12. Our firm emphasizes both exploration and experimentation for opportunities					

SECTION E; Independent Variable; PROACTIVENESS ON PERFORMANCE OF COOPERATIVE SOCIETIES

To what extend do you agree or disagree with the following statement as pertaining to Proactiveness on Performance of Cooperative Societies in Uasin Gishu County.

Please indicate your agreement or otherwise with the following statement using the following scale of 1-5 where;

Strongly Agree=5, Agree=4, Neutral=3, 'Disagree= 2, strongly Disagree=1 (Tick the appropriate)

	STATEMENT	5	4	3	2	1
1.	In this firm, employees have a lot of say in how things are done					
2.	The company's environment encourages people to talk openly with others about ways to improve the firms operations					
3.	I feel like am my own boss and do not have to double check all of my decisions with someone else					
4.	Managers have a tendency to be a head of other competitors in introducing novel ideas or products.					
5.	My firm typically initiates actions to which competitors then respond to					
6.	Employees are given opportunity to act.					
7.	There is increased job satisfaction.					
8.	My firm permits its employed people to act and think without interference					
9.	My firm allows its employed people to perform jobs that allow them to make and instigate changes in the way they perform their work					
10.	My firm gives its employees freedom to communicate without fear.					
11.	My firm's employees have access to all vital information.					
12.	My firms employees have access to all vital information					
13.	My firm requires individuals or teams to rely on senior managers to provide the impetus for pursuing business opportunity					
14.	I like to commit myself to reach particular results					
15.	I do strive to have certain number of projects in a particular period					

SECTION F; Independent Variable; COMPETITIVENESS ON PERFORMANCE OF COOPERATIVE SOCIETIES

To what extend do you agree or disagree with the following statement as pertaining to Competitiveness on Performance of Cooperative Societies

Please indicate your agreement or otherwise with the following statement using the following scale of 1-5 where;

Strongly Agree=5, Agree=4, Neutral=3, 'Disagree= 2, strongly Disagree=1 (Tick the appropriate)

STATEMENT	5	4	3	2	1
1. My firms employees have access to all vital information					
2. My firm is able to cope with structural change					
3. The firm produces services/products of superior quality					
4. My firm has been increasing productivity					
5. The firm has expanded its market significantly					
6. The firm has more sales compared to its competitors					
7. The organization provides the chance to be creative					
8. My firm is intensely competitive					
9. My firm business takes a bold or aggressive approach when competing.					
10. My firm tries to undo and out-maneuver the competition as best as we can					

THANK YOU

Appendix II: Co-Operative Societies in Uasin Gishu County

REPUBLIC OF KENYA
COUNTY GOVERNMENT OF UASIN GISHU

RE: INFORMATION ON CO-OPERATIVE SOCIETIES IN UASIN GISHU COUNTY

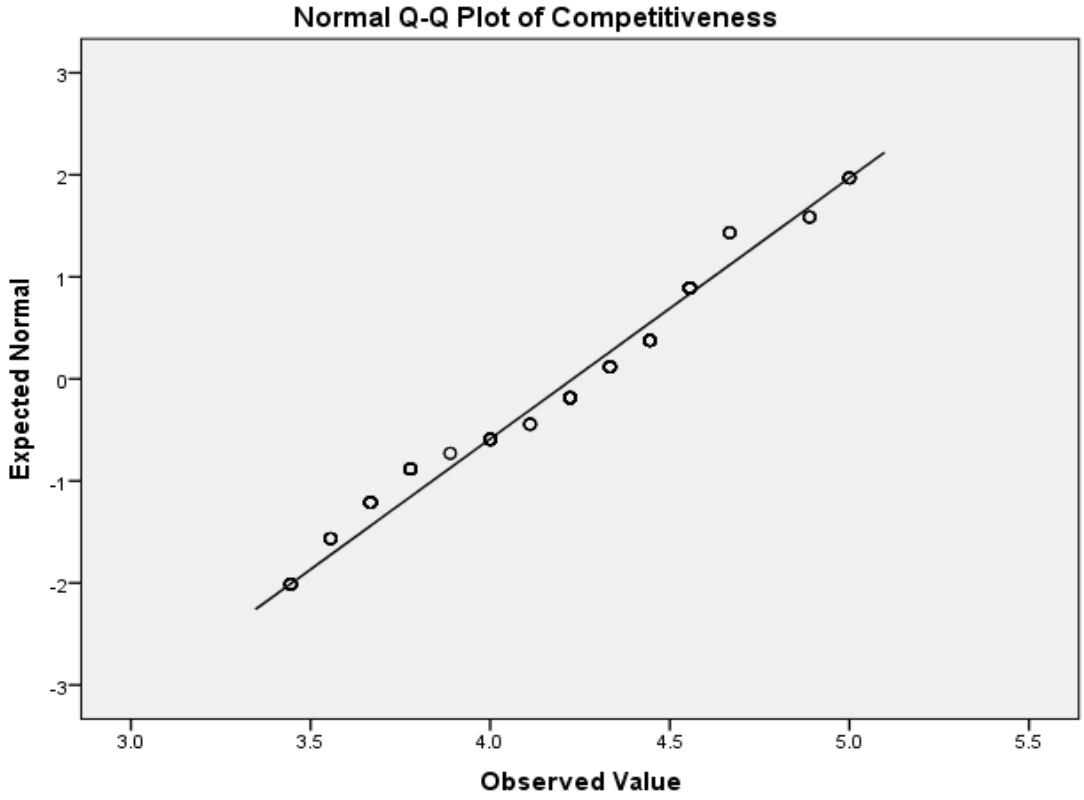
#	NAME OF COOP. SOCIETY	SUB COUNTY	NUMBER OF EMPLOYEES	
1.	Ainabkoi FCS LTD	AINABKOI	17	5
2.	Lelmoet FCS LTD	"	4	3
3.	Ngeny FCS LTD	"	3	3
4.	Wounifer FCS LTD	"	3	3
5.	Soka FCS LTD	"	0	3
6.	Kong'asis Kina FCS LTD	"	4	3
7.	Plateau Lelit FCS LTD	"	3	3
8.	Kaptagat FCS LTD	"	5	4
9.	Bellula FCS LTD	"	0	3
10.	Chepkero FCS LTD	"	2	3
11.	Kapseed FCS LTD	"	3	3 (39)
12.	Tuiyoluk FCS LTD	MOIBEN	15	5
13.	Tuiyotich FCS LTD	"	4	3
14.	Sugutek FCS LTD	"	1	3
15.	Uswo FCS LTD	"	3	3
16.	Toloita Multipurpose CS LTD	"	3	3
17.	New Progressive FCS LTD	"	13	5
18.	Moiben FCS LTD	"	2	3
19.	Kapsiliot FCS LTD	"	2	3
20.	Kimuchi FCS LTD	"	2	3
21.	Baruasis FCS LTD	"	1	3
22.	Kimining FCS LTD	"	2	3
23.	Samutet Multipurpose FCS LTD	"	0	3 40
24.	Ndubeneti FCS LTD	KAPSARET	0	3
25.	Kipsamo FCS LTD	"	3	3
26.	Simat FCS LTD	"	1	3
27.	Megun Gaa FCS LTD	"	4	3
28.	Tuiyo FCS LTD	"	3	3
29.	Chepkatet FCS LTD	"	2	3

30.	Songoliet FCS LTD	“	0	3
31.	Lemook FCS LTD	“	1	3 (24)
32.	Abai FCS LTD	KESSES	10	5
33.	Cheptiret FCS LTD	“	5	3
34.	Bidura FCS LTD	“	1	3
35.	Kipchamo FCS LTD	“	2	3
36.	Chegaiya FCS LTD	“	4	3
37.	Timboroa Dairy	“	5	3
38.	Keitich FCS LTD	“	3	3
39.	Singalo FCS LTD	“	4	3
40.	Lainguse FCS LTD	“	3	3
41.	Mbarakira FCS LTD	“	2	3
42.	Mateeny Soy FCS LTD	SOY	5	3 (35)
43.	Bronjo FCS LTD	“	3	3
44.	Chemarer FCS LTD	“	4	3
45.	Tarakwa FCS LTD	“	7	3
46.	Moi’s Bridge Muongano FCS LTD	“	9	5
47.	Farmtech FCS LTD	“	2	3
48.	Kapkures FCS LTD	“	0	3
49.	Kilima FCS LTD	“	0	3
50.	Kuinet FCS LTD	“	3	3
51.	Soy – Merewet FCS LTD	“	3	3
52.	Ngobitwa FCS LTD	“	3	3
53.	Kaplesa FCS LTD	“	2	3
54.	Kongeluk FCS LTD	“	3	3
55.	Lemoru FCS LTD	“	2	3
56.	Greenwell FCS LTD	“	3	3 (44)
57.	Kaptabeey FCS LTD	TURBO	2	3
58.	Sosiani FCS LTD	“	4	3
59.	Ngenyilel FCS LTD	“	0	3
60.	Kapkeben FCS LTD	“	3	3
61.	Ainapngetick FCS LTD	“	4	3
62.	Sugoi Alliance FCS LTD	“	11	5
63.	Kapsaos FCS LTD	“	0	3 (23) 205)

Co-operative regards,

DRUSCILLAH J. CHEROGONY
SUB-COUNTY CO-OPERATIVE OFFICER
AINABKOI/MOIBEN SUB-COUNTY

Appendix III: Competitiveness Plot



Appendix IV: NACOSTI Research Permit