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THE EXTENT TO WHICH INDIVIDUAL AND ORGANIZATIONAL FACTORS INFLUENCE PERFORMANCE OF ENTERPRISE BASED PARASTATALS IN KENYA

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ABSTRACT: *This paper sought to determine the extent to which individual and organizational social entrepreneurship factors influence the performance of enterprise based parastatals in Kenya. The study adopted a descriptive research design. The study used 55 enterprise based parastatals with a population of 495 top managers. Using stratified and simple random methods, 432 respondents were randomly selected from amongst the 55 commercially oriented parastatals in Kenya. The respondents comprised of top managers and senior managers from the 55 parastatals. The questionnaire and key informant interview schedule were used to collect data. Secondary data were collected from financial and audited statements. Coefficients between individual and organizational factors and firm performance elements obtained from factor analysis were computed to explore possible strengths and direction of relationships. Binary logistic regression analysis was conducted and this was used to make interpretations and conclusions. The study established a significant relationship between individual and firm /organizational factors and performance of enterprises based parastatals in Kenya. The study recommended that policies be formulated to regulate business in enterprise based parastatals in Kenya.*

KEYWORDS: Social Entrepreneurship, Individual Factors, Organizational Factors, Enterprise Based Parastatals, Firm Performance.

INTRODUCTION

Social enterprises are those firms that produce and sell goods and services by putting the highest priority on social purposes such as the provision of social services and jobs to the marginalized members of the society, and the enhancement of the quality of life of communities. They can be said to be in between profit organizations and non-profit organizations (Defourny & Nyssens, 2010).

Studies in America, Europe and Asia indicate that social enterprises have appeared to create self-reliance among lower-income groups and finances for operating non-profit organization. These studies indicate that the number of social enterprises in America, Europe and Asia is increasing not only in the public sector but also in the private sector as a result of government's positive support for them (Sciascia, Naldi & Hunter, 2006). Lee (2009) asserted that to create social value, social enterprises must have elements of entrepreneurship such as innovation, progressiveness and risk taking.

In today's business environment, where the life cycles of products and services are becoming shorter and the future profits are uncertain, it is very important for commercial oriented parastatals in Africa to take risks and to be progressive and innovative (Peredo & McLean, 2006). Social entrepreneurship and market orientation are the key success factors of today's

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enterprises as they make it possible for new enterprises to survive and endure (Sciascia, Naldi & Hunter, 2006). Kwangwoo (2008) asserted that entrepreneurship and social networking are important for the continued operation of social enterprises and for increasing their social performance. In addition, systematic research on social entrepreneurship is necessary for sustainability of social enterprises. Although extensive research is being conducted on social enterprises, such research is lacking in terms of identifying the effects of social entrepreneurship factors on performance of enterprise based parastatals in Kenya.

In the emerging environment, parastatals in Kenya need entrepreneurship aspects which are innovation, progressiveness and risk-taking to redistribute and to reconcile resources to create new values (Frishammar & Horte, 2007). Existing studies have classified entrepreneurship to innovation, progressiveness and risk-taking (Frishammar & Horte, 2007). In social enterprise, a social entrepreneur also needs the entrepreneurship qualities such as innovation, progressiveness and risk-taking propensity to create social values. Therefore, this study aims at determining the influence of individual and organizational social entrepreneurship factors on the performance of enterprise based parastatals in Kenya. Objectively, the study sought to determine the extent to which individual social entrepreneurship factors influence the performance of enterprise based parastatals and to evaluate the influence of firm social entrepreneurship factors on the performance of enterprise based parastatals in Kenya. The study was based on two hypotheses that stated;

Ho1: There is no significant influence of individual social entrepreneurship factors on the performance of enterprise based parastatals in Kenya.

Ho2: There is no significant influence of firm social entrepreneurship factors on the performance of enterprise based parastatals in Kenya.

LITERATURE REVIEW

Individual factors and performance of enterprise based Parastatals

The growth of a firm is to a certain extent a matter of decisions made by an individual entrepreneur. Studies undertaken by Noruzi et al. (2010) and Perrini (2006) found that entrepreneur's personality traits, growth motivation, individual competencies and personal background are the most important factors that determine the performance of a firm. According to Mokaya (2012) and McMullen (2011) the key personal entrepreneurial traits that influence the performance of a firm include the need for achievement, need for cognition and internal locus of control. The cognitive ability of managers adds much to their performance and behaviour. Managers are more likely to be innovative, effective, and efficient if they have a higher internal locus of control (Panagiotou, 2006). A positive relationship has been found between the need for achievement, need for cognition and internal locus of control on firm performance (Di Zhang & Bruning, 2011).

It has been argued that personality traits contribute more to the performance motivation (Mazzarol et al., 2009). Intrinsic motivation plays a rather important role in an entrepreneur's behaviour which in turn contributes to the actual performance (Di Zhang & Bruning, 2011). Intrinsic motivation implies that performance is highly determined by personal values and interests of the entrepreneur. Personal values can be defined as a generalized and organized conception of an entrepreneur, which influence the behaviour and motivation of entrepreneurs

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and are determined by personality traits. Bryman (2012) argues that an entrepreneur who has greater intrinsic motivation, who experienced performance before or who is more innovative, is more likely to be ambitious towards firm performance and is more likely to engage into further growth.

Several studies across various countries Tanveer et al. (2013) Zeffane (2012) also demonstrate that most business founders have modest growth aspirations, which in turn have a direct effect on firm performance. Therefore, incorporating the intrinsic growth motivation of an entrepreneur is crucial in determining firm performance. Individual competencies are also important and are defined as an underlying characteristic of a person that could be a motive, trait, skill, aspect of one's self-image, social role, or a body of knowledge which the person uses. These characteristics are revealed in observable and identifiable patterns of behavior related to job performance and usually include knowledge, skill and abilities. Individual competencies are also specified as a means of 'being able to perform a role to a defined standard with reference to real working environments (Boyatzis, 2008).

Studies undertaken by Qiao and Wang (2009) indicate that individual competencies such as team-building, communication, coordination, execution and continual learning have a positive impact on individual performance. Studies undertaken by Anwar et al. (2012) and Pereira and Gomes (2012) have also shown a positive relationship between individual competencies and firm performance.

Another important factor in social entrepreneurship is personal background and this includes general information of an individual such as age, gender, education and experience. Studies undertaken by Shinner et al (2012) and Zefffane (2012) identified that male entrepreneurs have higher growth ambitions when compared to female entrepreneurs. Delmer and Shane (2004) found that entrepreneurial experience and level of education have positive impact on the performance of the firm as education and previous experience provide facet knowledge of an organization and skills needed to enhance firm performance.

Organizational/ firm factors and performance of enterprise based Parastatals

One of the key determinants of firm factors is firm attributes and strategies. The classical firm attributes refer to firm age and size. The discussion on the relationship between age and or size of a firm and firm performance has its origin in Gibrat's Law (Audretsch et al., 2004) which states that the performance rate of a firm is independent of its initial size and that there is no difference between firms in the probability of a given performance rate during a specific time interval within the same industry. However, several studies show that younger firms show higher performance rates than firms that have existed for many years. The negative effect of age on firm performance is consistent even among various countries and industries (Yasuda, 2005).

The stylized fact of firm size has been found in the industrial economic literature. Small firms grow relatively fast since they have to achieve a minimum efficient size (Audretsch et al., 2004). Similarly, Yasuda (2005) finds a negative effect of firm size on firm performance in the case of Japanese manufacturing firms. Other studies which incorporated different countries and industries also indicate a negative effect of size on firm performance (Calvo, 2006). Furthermore, researchers who studied firm performance in different size groups suggest that Gibrat's Law of size independence only holds for firms above a certain size threshold, for instance relatively large size firms with over 400 employees (Bigsten & Gebreeyesus, 2007).

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Firms which can sustain or enhance their entrepreneurial orientation over a period can achieve better results than their competitors and may experience high performance rates (Madsen, 2007).

A resource-based view indicates that financial resources and human capital are the most important resources for firm performance. Securing financial resources might be particularly important in promoting firm performance because financial resources can relatively easily be converted into other types of resources (Wiklund et al., 2007). Coad (2007) argues that financial performance can be expected to correspond to firm performance given the principle of 'growth of the fitter' from evolutionary theory. Following this logic, only firms with superior financial performance can grow.

Human capital represents knowledge, skills and experience. On a firm level, human capital of the total workforce plays a more determined role as compared to the entrepreneur alone (Bottazzi & Secchi, 2005). Firm structure also, which concerns the distribution of tasks among labor units and the coordination mechanism between the units, is relevant to the firm's growth. Though different dimensions are used by various authors to describe distribution of tasks, centralization, formalization and departmentalization are the commonly agreed dimensions (Meijaard et al., 2005). Centralization represents the degree to which authorities of decision making are delegated throughout an organization. It is the opposite of decentralization. Formalization refers to the extent to which firm rules, procedures, authority relationship, communication, and norms are defined. Formalization along with standardization and coordination are utilized to control and optimize firm procedures. Departmentalization is normally measured by the number of departments involved in firm activities or by the number of managerial levels (Meijaard, Brand & Mosselman, 2005).

Adopting from previous concepts, Meijaard et al. (2005) and Brand and Mosselman (2005) examined the relationship between five structural dimensions, namely departmentalization, specialization, decentralization, coordination, and formalization, and performance of firms. They found that to a certain extent, formalization and standardization overlapped in their data set while specialization derives two dimensions in terms of task and skill. Firms with a decentralized structure generally perform well regardless of their size, but to their surprise centralized structure also turned to be performing equally well.

Although the effect of firm structure on firm performance is rather complex due to the dependencies on other factors such as firm size, sector, and firm configuration, it is suggested that including them in studies could give a better understanding of the factors of firm performance. Apart from the firm structure, performance is embedded in organizational dynamic capability. Dynamic capability is defined as strategic routines (for example, research and development and new product development) and strategic decision making (for example, entering into a new market) which aims at achieving new resource combinations to yield firm performance (Eisenhardt & Martin, 2000). Dynamic capability is crucial for small firms to successfully exploit and create new opportunities (Zahra, Sapienza & Davidsson, 2006). Firm learning serves similar aim of knowledge creation as does research and development. While research and development brings in or creates explicit and technical knowledge within firms, firm learning externalizes the tacit knowledge embedded into individuals and specific groups to firm knowledge. Knowledge is a key source of a firm's competitive advantage and it is especially crucial for innovation (Townsend et al., 2008). An effective business model involves a firm's ability to recombine its resources, structure and strategy to yield valuable firm outcomes (Teece, 2007).

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Performance of Enterprise Based Parastatals

Social enterprises have a different nature of characteristics from general profit organization and differ mainly in their goals and values. For-profit organizations are focused on profit maximization while the operational goal of social enterprises is to maximize social-oriented profits (Yang et al., 2014). Davis et al. (2009) points out that the mostly used measures of organization performance have been profitability, sales growth, return on investment and employment. Brooks (2009) describes social entrepreneurship as a process that provides added value and novelty to the enterprise, its suppliers and customers through the development of new procedures, solutions, products as services as well as methods of commercialization. He asserts that organizations institute social entrepreneurship as a process that infiltrates and spreads throughout the entire organization and tends to achieve positive results overtime in the sense of improved profitability, sales growth, return on investment and employment.

METHODOLOGY

The study used survey design with mixed approaches that integrated qualitative and quantitative methods. Quantitative approach is most preferred because as noted in Kothari (2008), empirical research provides strong evidence for explaining phenomenon, enabling researcher to address the questions 'how much' or how many'. This approach was most preferred because it provided information about the phenomenon being studied and established patterns, trends and relationships from the responses given.

A descriptive research design to support and meet its objectives was adopted. Grohaug (2005) asserts that in survey design the problem is structured and well understood. Mugenda and Mugenda (2003) agree that survey design is most preferred because it gives a report on things as they actually are. Descriptive survey design is flexible and responsive enough to various field challenges that could arise during administration of questionnaires and data interpretation (Lee et al., 2011). The descriptive survey design was thus used to describe characteristics of independent variables. This was appropriate to obtain information concerning the current status of phenomenon that describes the current situation as it is with respect to the variables of the study.

The target population of this study involved 55 enterprise based-parastatals. The study also comprised two components: a quantitative study of top managers and a qualitative study of selected key informants in the enterprise based-parastatals. Four hundred and ninety five top managers constituted the population of subjects in the quantitative study. The subjects in the qualitative study were 14 and were studied using an in depth interview method. Both stratified and simple random techniques were used to select the sample. The enterprises based parastatals were stratified according to the unique business they undertook. The strata included enterprise based-parastatalss-14 sub-sectors in total which are: Manufacturing, Agriculture, Trade, Hospitality, Publishing, Finance, Housing, Energy, Water, Transport, Information, Insurance, Research and Maritime. From the population of 55 enterprise based-parastatals, the study selected 48 enterprise based-parastatals which constituted 87.2% of the targeted population. In addition, 432 top managers were selected to form a population of 495.

This study specifically used a top manager's questionnaire and a key informant interview schedule for senior managers. The respondents were given the questionnaires and after one week, interviews were conducted with senior managers. The interviews were an opportunity to

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ignore a priori ideas and to draw on the knowledge of respondents without imposing bias (Nicoloni, 2002). All the questionnaires were then coded and analysed using descriptive statistics, correlations, factor analysis and binomial logistic regression. The descriptive statistics involved measures of central tendency such as means and measures of dispersion such as standard deviation. Data entry and analysis were done with the aid of SPSS (Statistical Package for Social Sciences) Version 22. Factor analysis was carried out to examine the underlying structure among the social entrepreneurship factors. The general binomial logistic regression equation is presented as:

$$Logi(Y) = a + B1X1 + B2X2 + e$$

Where Y =enterprise based - Parastatal performance

a = constant, Bi = partial regression coefficients (i = 1, 2), X1 = predictor variable associated with individual factors, X2 = predictor variable associated with firm factors, e = error term

RESULTS AND DISCUSSIONS

Individual Factors and Performance of Enterprise Based Parastatals

There were six issues used to study individual factor and its influence on the performance of enterprise based parastatals in Kenya. These are personal traits, growth motivation, individual competencies, personal background, improvement of personality and potential in motivating individuals. Responses to this section were measured on a 5 point Likert Rating Scale represented by strongly Disagree- 1 to Strongly Agree-5. Table 1 shows the findings.

Table 1: Descriptive Statistics for Individual Factors and Firm Performance

Statement	**Mean**	**STD**
Personal traits	3.4	1.074
Growth motivation	3.38	1.072
Individual competencies	3.91	0.925
Personal Background	3.8	1.12
Improvement of personality	4.07	0.939
potential in motivating individual	3.31	0.848
Average	**3.65**	**0.9896**

The average mean for the six (6) elements was 3.65. Means greater than 2.5 and less than 3.5 implies that individual factors influenced performance to a moderate extent. Means greater than 3.5 and less than 4.5 implies that individual factors influenced performance to a very great extent. This implies that potential in motivating individuals (3.31), growth motivation (3.38) and personal traits (3.4) have a moderate influence on performance of enterprise based parastatals. Conversely, personal background (3.80), individual competencies (3.91) and continuous improvement of personality traits (4.07) influence performance to a very great extent. According to Mokaya (2012) and McMullen (2011) the key personal entrepreneurial traits that influence the performance of a firm include the need for achievement, need for cognition and internal locus of control.

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To assess the nature of inter-relationships between the individual social entrepreneurship factors and firm performance, Pearson correlation coefficient was performed. The correlation results indicate that there was a positive and significant relationship between individual factors and firm performance. This was evidenced by the p value of 0.000 obtained which is less than that of critical value of 0.05. The positive association between individual factors and firm performance measures implies that individual factors such as personal traits can influence positive performance. These findings are consistent with (Mazzarol et al., 2009) who argued that personality traits contribute more to the performance.

The results of findings were also subjected to factor analysis. To examine whether the data collected was adequate and appropriate for inferential statistical tests, two main tests were performed namely; Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Barlett's Test of Sphericity. Henry Kaiser (1970) introduced a Measure of Sampling Adequacy (MSA) of factor analytic data matrices later modified by Kaiser and Rice (1974). This is a function of the squared elements of the 'image' matrix compared to the squares of the original correlations. The overall MSA as well as estimates for each item are found. The index is known as the Kaiser-Meyer-Olkin (KMO) index. Interpretive adjectives for the Kaiser-Meyer-Olkin Measure of Sampling Adequacy are defined as follows: in the 0.90's as marvellous, in the 0.80's as meritorious, in the 0.70's as middling, in the 0.60's as mediocre, in the 0.50's as miserable, and below 0.50 as unacceptable. Findings in Table 2show that the KMO statistic was 0.731 which was significantly high; that is greater than the critical level of significance of the test which was set at 0.5 (Field, 2000).

Bartlett's test (Snedecor and Cochran, 1989) is used to test if k samples have equal variances. Equal variances across samples are called homogeneity of variances. Some statistical tests, for example the analysis of variance, assume that variances are equal across groups or samples. The Bartlett test was used to verify that assumption. The Barlett's Test of Sphericity was also highly significant (Chi-square = 320.067 with 21 degrees of freedom, at $p < 0.05$). These results provide an excellent justification for further statistical analysis to be conducted. Factor analysis was conducted using Principal Components Method (PCM) approach. The extraction of the factors followed the Kaiser Criterion where a given value of one (1) or more indicates a unique factor. Total variance analysis indicates that the seven (7) statements on individual factors and firm performance can be factored into one (1) factor. The total variance explained by the extracted factor is 68.59% of the total variance which is greater than the threshold of 50%.

Table 2: Individual Factors Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1.	4.801	68.59	68.59	4.801	68.59	68.59
2.	1.033	14.762	83.351			
3.	0.597	8.53	91.882			
4.	0.03	0.435	100			
5.	0.184	2.63	98.278			
6.	0.09	1.288	99.565			
7.	0.03	0.435	100			

Extraction Method: Principal Component Analysis

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Table 3 shows the factor loadings for sub-constructs of individual factors. All the statements attracted coefficients of more than 0.4 hence all the statements were retained for analysis. According to Zandi (2006) a factor loading equal to or greater than 0.4 is considered adequate. The factor loading for the sub-variables of individual factors ranges from 0.861 - 0.923 which is above the minimum recommended threshold of 0.4.

Table 3: Factor Loading for Individual Factors

Item	**Factor loading**
Personal traits	0.923
Growth motivation affects enterprise based parastatal performance	0.909
Individual competencies (technical, managerial and entrepreneurial skills) affects enterprise based parastatal performance	0.899
Personal Background (individual age, gender, education and experience) affects enterprise based parastatal performance	0.892
The enterprise based parastatals continuously improve personality traits for enhancing performance	0.884
The enterprise based parastatals always foresee potential in motivating individual for enhancing performance	0.881
The enterprise based parastatals always fosters individual competencies and personal background for enhancing performance	0.861
Number of items	**7**
Observation (N)	**323**

A binary logistic regression was then performed and this predicts the probability that an observation falls in one or two categories of dichotomous dependent variable based on one or more independent variables that are categorical or continuous (Field, 2000). Binary logistic regression estimates the probability that a characteristic is present (e.g. estimate probability of "success" or "no success'') given the values of explanatory variables. In this study, binary logistic regression was used to model relationship between individual factors and firm performance (performance or no performance).

The logistic regression model contained independent variables, namely; individual social entrepreneurship factors. The logistic regression model is summarized as:

Logit (performance level) = -6.414+1.868 individual factors

Table 4: Logistic Regression for Individual Factors

Variable	Beta	S.E	Wald	Df	Sig.	Exp (B)	95% C.I fo EXP (B)	
							Lower	Upper
Individual Factors	1.868	0.607	9.478	1	0.002	6.476	1.971	21.27
Constant	-6.414	2.273	7.962	1	0.005	0.002		

n=323, $\chi 2$=102.2158, DF=6, sig=.000

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Cox and Snell R Square (.361); Nagelkerke (.472), overall percentage correct prediction (78.2%)

The general model was significant at .05 level ($\chi 2$=102.2158, DF=6, sig=.000, n=323) indicating that the logistic model was applicable. The explained variation in the dependent variable based on the above model is 36.1% (Cox and Snell R Square) and 47.2 % (Nagelkerke) and correctly explains 78.2 % of cases.

Table 4 shows that individual factors were statistically associated with firm performance ($p < 0.002$). An enhancement in individual factors increases the probability of having high firm performance by 6.476 times. The findings imply that those firms with high individual factors have higher chances of realizing higher firm performance as compared to those without or with low individual factors.

The null hypothesis Ho that there is no significant influence of individual social entrepreneurship factors on the performance of enterprise based parastatals in Kenya was thus rejected.

Organizational/firm factors and performance of enterprise based Parastatals

There were six issues used to study firm/organizational factor and which influenced the performance of enterprise based parastatals in Kenya. The top managers in enterprise based parastatals in Kenya were asked to indicate whether organizational social entrepreneurship factors influence the performance of enterprise based parastatals in Kenya. The responses were measured on a Likert Rating Scale with responses ranging from strongly Disagree to Strongly Agree. The results of finding are shown in Table 5.

Table 5: Descriptive Analysis for Organizational /Firm Factors and Performance

Statement	**Mean**	**STD**
Parastatal attributes	3.60	1.031
Firm specific resources	3.51	1.079
Firm structure	3.29	0.944
Dynamic capabilities	2.98	0.892
firm attributes and strategies	3.09	1.104
foster firm structure and dynamic	3.16	1.127
Average	**3.27**	**1.030**

The mean score for the six (6) elements ranges from 2.98 to 3.60 with an average mean of 3.25. Means greater than 2.5 and less than 3.5 imply that firm factors influence performance to a moderate extent. Means greater than 3.5 and less than 4.5 imply that individual factors influenced performance to a very great extent. This implies that dynamic capabilities (2.98), continuous improvement of firm attributes and strategies and firm specific resources (3.09) foster of firm structure and dynamic capabilities (3.16) and firm structure (3.29) have a moderate influence on performance of enterprise based parastatals. Though different dimensions are used by various authors to describe distribution of tasks, centralization, formalization and departmentalization are the commonly agreed dimensions (Meijaard et al., 2005). Conversely, Firm specific resources (3.51) and parastatal attributes and strategies (3.60) influence performance to a very great extent.

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To establish the nature of inter-relationships between the organizational factors and firm performance, Pearson correlation was performed. A positive and significant relationship between the two was observed. Correlation results indicate that there was a positive and significant relationship between firm factors and firm performance. This was evidenced by the p value of 0.001 which is less than the critical value of 0.05. This implies that an enhancement in organizational factors leads to increased sales and profit margin. The positive and significant association between individual firm factors and firm performance measures implies firm attributes and strategies can stimulate performance. Rauch, Frese and Utsch (2005) conducted an empirical analysis based on longitudinal data from 119 German business owners and found that factors such as firm structures are the most important factor for predicting firm performance.

The results of findings were also subjected to factor analysis. To examine whether the data collected was adequate and appropriate for factor analysis, two main tests were performed namely; KMO and Barlett's Tests of Sphericity were used to determine the firm factors sampling adequacy. The results of the KMO and Barlett's Tests show that the KMO statistic is 0.732 which is significantly high and is greater than the critical level of significance of the test set at 0.5 (Field, 2000). In addition to the KMO test, the Barlett's Test of Sphericity was also highly significant (Chi-square = 206.343 with 15 degree of freedom, at $p < 0.05$). These results provide an excellent justification for further statistical analysis to be conducted. Factor analysis was conducted using the Principal Components Method (PCM) approach. The extraction of the factors followed the Kaiser Criterion where an eigenvalue of one (1) or more indicates a unique factor. Total variance analysis indicates that the four (4) statements on firm factors and firm performance can be factored into one (1) factor. The total variance explained by the extracted factor is 63.622%.

Table 6: Firm Factors Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1.	3.817	63.622	63.622	3.817	63.622	63.622
2.	1.2	19.995	83.617			
3.	0.45	7.506	91.123			
4.	0.058	0.962	100			

Extraction Method: Principal Component Analysis.

Table 6 shows the factor loadings for sub-constructs of firm factors. All the statements attracted coefficients of more than 0.4 hence they were all retained for analysis. This is corroborated by findings of Zandi (2006) who assert that a factor loading of 0.4 has good factor stability and deemed to lead to desirable and acceptable solutions. The factor loading for the sub-variables of firm factors ranges from 0.813 - 0.928 which is above the Zandi (2006) minimum recommended threshold of 0.4.

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Table 7: Factor Loading for Organizational/ Firm Factors

Item	Factor loading
Parastatal attributes (parastatal age and size) and strategies (market orientation and entrepreneurial orientation) affect enterprise based parastatal performance	0.928
Firm specific resources (financial capital availability, human resource development and finance performance) affects enterprise based parastatal performance	0.92
Firm structure (centralization, decentralization, formalization, standardization, specialization and departmentalization) affects enterprise based parastatal performance	0.877
Dynamic capabilities (firm learning and preparedness to grow) affects enterprise based parastatal performance	0.859
The enterprise based parastatals continuously enhance firm attributes and strategies and firm specific resources for enhancing performance	0.813
The enterprise based parastatals always foster firm structure and dynamic capabilities for enhancing performance	0.813
Number of Items	**6**
Observation (N)	**323**

A binary logistic regression was then performed. Binary logistic regression was used to model relationship between firm factors and firm performance. In this study, binary logistic regression was used to model relationship between organizational factors and firm performance (performance or no performance).

The logistic regression model contained independent variables, namely; organizational factors. The logistic regression model is summarized as:

Logit (performance level) = -3.771+1.252 organizational factors

Table 8: Logistic Regression for Firm Factors

Variable	Beta	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
							Lower	Upper
Firm Factors	1.252	0.527	5.645	1	0.018	3.496	1.245	9.817
Constant	-3.771	1.804	4.368	1	0.037	0.023		

n=323, $\chi 2$=253.21, DF=7, sig=.000

Cox and Snell R Square (.463); Nagelkerke (.521), overall percentage correct prediction (68.9%)

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The general model was significant at .05 level ($\chi 2$=253.21, DF=7, sig=.000, n=323) indicating that the logistic model fits well. The explained variation in the dependent variable based on the above model is 46.3% (Cox and Snell R Square) and 52.1 % (Nagelkerke) and correctly explains 68.9 % of cases.

Table 8 shows that firm factors were statistically associated with firm performance ($p < 0.018$). An increase in firm factors increases the probability of having high firm performance by 3.496 times. This implies that firms with high firm factors have higher chances of attaining higher firm performance in comparison to those with low firm factors.

The null hypothesis H02 that sates that there is no significant influence of firm social entrepreneurship factors on the performance of enterprise based parastatals in Kenya was rejected. Earlier studies have supported the view that firm related factors can influence the performance if enterprises. According to Geroski and Gugler (2004), Reichstein and Dahl (2004) and Yasuda (2005), the positive effect of age on firm performance is consistent even among various countries and industries. In addition, firm structure, which concerns the distribution of tasks among labour units and the coordination mechanism between the units, is relevant to the firm's growth (Meijaard et al., 2005). An effective business model involves a firm's ability to recombine its resources, structure and strategy to yield valuable firm outcomes (Teece, 2007).

Implication to Research and Practice

The information on this study can be used to sensitize the government and other stakeholders of parastatals on the factors that influence performance of these entities thus know what to implement towards better performance. The study will be a source of reference material for future researchers on other related topics and it will also help other academicians who undertake research in the same area of study.

CONCLUSIONS

As has been indicated in this study, a lot of emphasize is given to the importance of the performance of social entrepreneurship enterprises. However, the performance of such enterprises is influenced by a number of factors. The results of findings indicated that there is strong positive association between individual and organizational factors and performance of enterprise based parastatals in Kenya. The statistical model with binary logistic regression model was significant at .05 levels indicating that the logistic model fits well i.e. it can be used to predict the influence of the variables under study on performance. The study thus concluded that performance of enterprise based parastatals can be explained by observed changes in both individual and organizational factors.

RECOMMENDATIONS

To ensure the continued growth of enterprise based parastatals, this study recommends that emphasize should be put on formulating policies that create a favorable environment for sustainable growth performance.

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From the study, it was revealed that education and training are important ingredients in the performance of enterprise based parastatals. This study recommends that the government should continue to provide training, market services, market information to ensure that

Suggestion for Further Research

Another study should be carried to investigate challenges affecting the performance of enterprise based parastatals in Kenya.

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