

# The Relationship Between Strategic Competence And Business Performance Of Graduates With Physical Challenges In Kenya

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## I. ABSTRACT

The purpose of this research was to analyze the relationship between Strategic Competence and Business Performance of graduates with physical challenges in Kiambu County in Kenya. The research objective was to establish whether Strategic Competence had any significance in Business Performance. The hypothesized relationship was being moderated by Business External Environment with its constructs being Access to Finance and Location of Business. Participants of the study were graduates of higher education and training with physical challenges owning and managing businesses in Kiambu County in Kenya. These participants have had training at higher education and training institutions such as universities and tertiary level colleges. The institutions being Public and Private Universities, Technical Training Institutes, Institutes of Technologies and other private and commercial colleges. The physical challenges in focus included mobility impairments categorized as acquired or congenital that may or may not require the use of assistive devices. The study was longitudinal and utilized a descriptive-survey method. It was largely quantitative in nature and triangulated by some qualitative aspects. It addressed a population of 480 businesses owned and run by graduates with physical challenges of higher education and training in various constituencies within Kiambu County in Kenya. Businesses included in the study were selected through simple random sampling method. A sample of 172 respondents was picked. To collect primary data structured questionnaires were used which contained closed and open-ended questions. Secondary data was collected using relevant literature, records from the Ministry of Labour Kiambu County, NCPWD office and records from selected higher institutions of learning. Pilot test was carried out on a sample of 17 persons with similar characteristics as those in the final study. To access discriminant validity, correlations among indicators and constructs was deployed. Reliability was assessed using Cronbach's Alpha. Data was statistically analyzed (descriptive analysis F-tests and *t*-tests) through applying the SPSS Statistics 17.0 software.

*Index Terms-* Strategic Competence, Physical Challenges, Entrepreneurial Skills, Business Performance.

## II. INTRODUCTION

According to Bird (1995), entrepreneurial competencies are defined as individual's traits, such as specific knowledge, motives, features, self-images, social roles and abilities which result in venture success. Entrepreneurial competencies are related to the performance of the firm and its competitiveness (Man *et al.*, 2002), growth and success of business (Colombo & Grilli, 2005). These competencies are also associated with birth, survival and venture growth. Entrepreneurship is one of the fundamental drivers of innovation, competitiveness, and economic growth for both developed and developing countries and serves as a social inclusion for minority groups for instance persons with disabilities and immigrants Pavey (2006).

Entrepreneurship as a field does not lock out persons with disabilities (PWDs) since it is the only area that one can imprint their own creativity and enjoys the full benefits of flexibility on time. Entrepreneurship plays an important role in the society not just because entrepreneurs create jobs but because at the end of the day, it is not just about business, it is about people having the freedom to express their creativity, to imprint their style on the work they do, to turn their knowledge, skills and abilities into their own businesses, to create flexibility around their life conditions and personal interests and to make employment choices over which they have more control Jones & Latreille (2005); Bwisa (2011). Therefore, an entrepreneur with disability ought to demonstrate that being

disabled can facilitate the exploitation of opportunities that previously had been unexploited Shane and Venkataraman (2000). This is in line with the indications that entrepreneurship may bring a number of positive personal, social and financial benefits to persons with disabilities.

Persons with disabilities may have a greater tendency to be self-employed than persons without disabilities (Boylan & Burchardt, 2002; United States Office of Disability Employment Policy, 2001). The use of self-employment as a means of improving the living standards of persons with disabilities is promising for some reason; it is probable that persons with disabilities who become entrepreneurs will be more likely to hire persons with disabilities, as opposed to entrepreneurs who do not have a disability or other traditional employers ILO (2007). This has been seen on other disadvantaged groups, such as African Americans in the United States (Sinh, Knox & Crump, 2008). As such, resources expended promoting persons with disabilities to enter into entrepreneurship may have greater benefits to the entire persons with disabilities population than those expended promoting regular employment ILO (2007).

In Kenya, as in many countries in the region and globally, entrepreneurship is viewed as a core strategy for enhancing the ability to create employment, innovation and wealth RoK (2010), thus the 21<sup>st</sup> century competencies have been defined as the skills, knowledge and attitudes needed in order to compete in the global marketplace. Kenya has a large population of physically challenged persons who have shown great interest in entrepreneurship by engaging in owning, managing and running enterprises (Kenya National Survey on Persons with Disabilities 2008). Entrepreneurship plays a major role in helping disadvantaged person in society break away from their unprivileged positions (Alvord *et al.*, 2004), serves as a potential device for poverty alleviation (Bornstein 2004), a solution to unemployment and discrimination in the labor market (Fairlie 2005) or a tool for social inclusion of minority groups (Pavey 2006).

The United Nations Convention on the Rights of Persons with Disabilities UNCRPD (2007) states that persons with disabilities include those who have long-term physical, mental, intellectual and sensory impairment which in interacting with different barriers may hinder their full and effective participation in society on an equal basis with others. In general disability is referred to as whole or partly, inability of individual to perform ordinary activities of life due to congenital or acquired defect in physical or mental strength Karimi *et al.*, (2014). Persons with mobility limitations (which refer to the ability to move) may have lost arms, hands, feet or legs due to amputation or congenital problems IDDC (2012). Mobility impairments can result from medical conditions such as arthritis, multiple sclerosis, cerebral palsy, spina bifida, diabetes, muscular dystrophy and paraplegia. There are varying degrees of mobility impairments. People with mobility impairments may use assistive devices which may include wheelchairs, or aids such as crutches (elbow or arm-pit), canes or walkers to help overcome mobility obstacles WHO (2013).

The most common cited objectives of entrepreneurship education are to demonstrate positive attitude towards self-employment; identify viable business opportunity, portray a desire to venture into business, demonstrate managerial skills for running a successful business enterprise, apply managerial competencies in business situation; understand the factors likely to affect the success of a business, to encourage new start-ups and other entrepreneurial ventures Thomas *et al.*, (1994); Nteere (2013). According to Bwisa (2014) entrepreneurship education seeks to prepare the learners to become entrepreneurial thinkers and contribute to economic development and sustainable communities. It is not just about teaching someone to run a business as mainstream business courses do. Its core objective is to encourage creative thinking and promote strong sense of self-worth Bwisa (2011). Through entrepreneurship education, students learn how to create a different and a better business. The core knowledge created by entrepreneurship education includes, but not limited to; the ability to recognize opportunities in one's life; ability to pursue such opportunities by generating new innovative ideas and marshalling needed resources; ability to create and operate an innovative new venture; and finally the ability to think in a creative and critical manner (Bwisa 2014).

Entrepreneurship education is supposed to instill knowledge, skills and attitudes thus, it can be used to make a person more competent and a more professionalized business owner. However, all entrepreneurs are business people but not all business people are entrepreneurs (Bwisa, 2011). An entrepreneur is an individual who creates something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks and receiving the rewards of monetary and personal satisfaction and independence (Hisrich, Peters & Shepherd, 2009).

### III. RESEARCH ELABORATIONS

#### Statement of the problem

Kenya, just like other countries of the world has some of her citizens being persons living with disabilities. The Population Census 2010 officially reported that 3.5 per cent of the population or 1,330,312 is comprised of persons with disabilities (RoK 2010), among these only 1 per cent is formally employed. The country has been practicing inclusive education since the turn of the century and this has seen the country achieve great milestones in education. The country has a large population of physically challenged people who have shown great interest in entrepreneurship by engaging in owning, managing and running enterprises (Kenya National Survey on Persons with Disabilities 2008); Bwisa & Margaret (2013).

Whilst entrepreneurial competencies are important for all Small and Medium Enterprises (SMEs), the imperative to develop the understanding of such competencies in the context of physically challenged-persons-led businesses is of importance Bwisa *et al.*, (2013). There are growing numbers of self-employed persons with physical disabilities in developing economies such as Kenya and many of these businesses are highly dependent on the owner and his or her skills Mporu (2012).

There is evidence that majority of the physically challenged persons operate traditional businesses associated with low income; they lack the necessary entrepreneurial competencies to operate high performing enterprises thus leading to the poor performance in business Bwisa & Margaret (2013). From the information attained at NCPWD office in the Ministry of Labour in Kiambu County in Kenya, persons with disabilities are issued with mobility devices, business loans as well as business kits to help them startup own businesses. The greater percentages of the beneficiaries are those who sell these devices while others opt not to use them for reasons well known to individual persons. The question that the researcher asks is, why do physically challenged persons-led businesses perform poorly in Kiambu County in Kenya? Could the failure be paralleled with lack of entrepreneurship education? Could the presence or absence of entrepreneurial competencies explain this? This research therefore sought to find out whether graduates with physical challenges of higher education and training -where entrepreneurship education is a basic course in the curriculum; possess entrepreneurial competencies that lead to better performance in business.

### **Strategic competence and Business Performance**

Strategic competencies are related to setting, evaluating and implementing the strategies of the firm Lau *et al.*, (2000). In SMEs, the critical resources are likely to be held by the individual entrepreneurs that are reflected in their skills, knowledge, abilities, experience and education. Being the key decision makers, the entrepreneurs have high influence on the formation of business strategy and are responsible to set the roadmap for their firms to move towards the set goals. The lack of separation between ownership and control in small firms suggests that the business owners themselves are responsible for the direction and the development of their firms Vijay *et al.*, (2011).

Being the owner of the firm, the entrepreneur must set the direction for the whole company. This category of competencies require the entrepreneur to have a vision or a big picture in their mind for their business, to have clear goals to achieve, or to formulate and implement strategies to achieve these visions and goals Lau *et al.*, (2000). In essence, these competencies are necessary for better performance in businesses run by persons with physical challenges and they are related to setting, evaluating and implementing the strategies of the firm, while calling for abilities and skills from a broader and long-term perspective.

Components of Strategic Competence in the research called for the owner to have a vision for the business, have the ability to set short and long-term goals as well as evaluate these goals. Making strategic changes whenever the business called for such as well as use of tactics as the owner establishes their space in business. All these strategies could not come to fruition if owners of businesses did not develop budgets for strategy to make it easier to control and evaluate their strategic outcome.

### **Research Design**

The study employed descriptive-survey approach method. This design was suitable for the study as it sought to describe the relationship between Strategic Competence and Business Performance of graduates with physical challenges of higher education and training. The study was largely quantitative in nature and was triangulated by some qualitative aspects.

Quantitative research methods included multiple linear regression model whose coefficients were tested using Analysis of Variance (ANOVA) for overall model significance. Qualitative research method included content analysis where issues emerging from the key open ended questions would be clustered into thematic areas upon which interpretations and conclusions were drawn. Correlation research design was also used to measure the relationship between two variables. According to Kothari (2007) simple correlation assumes there is a linear relationship between two variables.

Normality of distribution was analyzed using the Kolmogorov Smirnov Test otherwise known as KS Test to check whether the dependent variable was normal or not, thus, deducing the statistical significance leading to either reject or fail to reject the outcome. The Gaussian distribution is one of the methods used to determine how well the data is distributed. Lapan *et al.*, (2012) notes that in order to fit a linear model, the dependent variable has to be normally distributed. Q-Q plots and the Kolmogorov-Smirnov (KS) test were used to confirm normality in this study.

### **Sampling Frame**

A sample frame is a complete list in which each of the unit of analysis is mentioned only once (Kerlinger & Lee, 2000). In this study, a sample frame was drawn from accessible population of 480 businesses owned and run by graduates with physical challenges with a university degree, a diploma or a certificate course. According to Nicholas (2011) it is impossible to do a random sampling on a population without a sampling frame unless the population is extremely small. The sampling frame in this study was done from information given by the National Council for Persons with Disabilities (NCPWD) office in Kiambu County in Kenya.

### **Sampling Technique**

Simple random sampling technique was used to select the businesses owned by graduates with physical challenges of higher education and training that would be included in the research. Black (2004) defines simple random sampling as a sampling method in which each member of the population has an equal and known chance of being selected. This method was applied because it is simple, easily applied to a small population and ensures there is no bias. At the point of choosing specific category of businesses to be included in the research, purposeful sampling was used to distinguish between businesses run by persons with physical challenges with higher qualifications in education and training from those that had only basic education.

### **Data Collection Instruments**

The study used both primary and secondary data. Primary data was collected by the use of assessment tools which assess entrepreneurial mindsets, attitudes and competencies developed by ASTEE team. These concepts are complicated to observe which makes them difficult to measure. The term latent construct is generally used for such variable that cannot be measured directly and

cannot be fully captured by a single question Ullman (1996). Therefore, in order to develop a suitable measurement tool, a single variable needs to be captured through multiple questions representing the variable. However, the indicators of entrepreneurial competencies must be established first. The questions in the survey were a combination of validated constructs and constructs developed by the researcher. The development of the measurement tools has been pre-studied and pilot tested in order to increase precision, validity and reliability of the measurement tools, as well as making them more parsimonious.

This research also utilized the use of questionnaires to collect data. Brown (2001) states that questionnaires are any written instruments that present respondents with a series of questions or statements to which they are to react either by writing out their answers or by selecting from among existing answers. It yields to quantitative data and due to provision for open-endedness; the instrument may be used to generate qualitative and exploratory data, Dornyei (2007).

#### IV. RESEARCH FINDINGS

**Table 1: Reliability Results for Strategic Competence Component Matrix**

	Component 1
Plan ahead of time about solving anticipated problems as well as tackling opportunities	.638
Know the projected direction of the industry and how changes might impact on my business	.551
Am very often the first to introduce new products/services as compared to my competitors	.739
Strictly follow my laid down goals In whatever I undertake to do in my business.	.623
My short-term goals or day-to-day tasks are in line with my long-term goal.	.723
Weigh the costs and benefits that I intend to get In every action that I undertake in my business.	.667
Evaluate results against my strategic goals.	.699

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.770	7

To test the first null hypothesis ( $H_{01}$ ) that stated that, there is no significant relationship between Strategic Competence and Business Performance of graduates with physical challenges in Kiambu County in Kenya, a reliability test was conducted on table 1 that gave a Cronbach's Alpha Coefficient of .770 indicating the measures were reliable since they were more than .700. The measurements were therefore regarded as moderately good.

**Factor Rating on Strategic Competence**

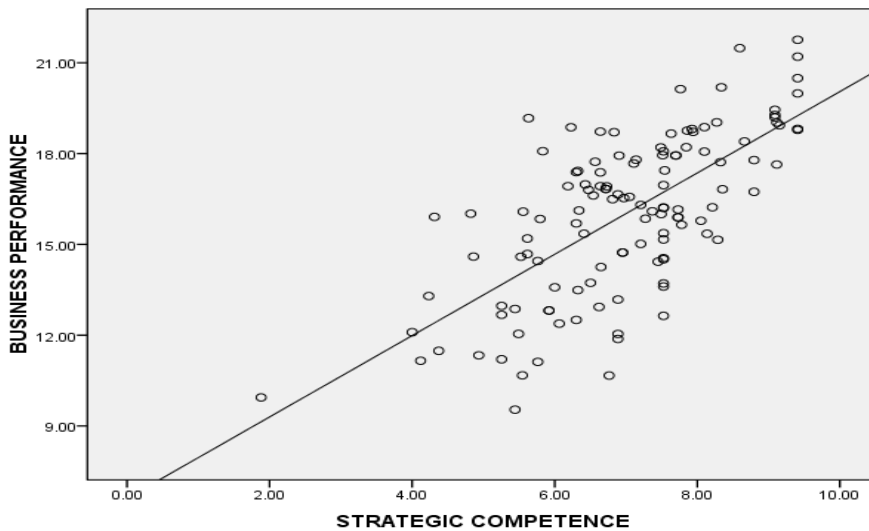
**Table 2: Factor Rating on Strategic Competence**

S/No.	Issue	S.D %	D %	N.S %	A %	S.A %	Mean	Median	Mode	
a	Plan ahead of time about solving anticipated problems as well as tackling opportunities	5.7	13.0	7.3	52.8	21.1	3.71	4.00	4	
b	Know the projected direction of the industry and how changes might impact on my business	5.7	24.4	6.5	48.8	14.6	3.42	4.00	4	
c	Am very often the first to introduce new products/services as compared to my competitors	8.9	30.9	13.0	32.5	14.6	3.13	3.00	4	
d	Strictly follow my laid down goals In whatever I undertake to do in my business.	2.4	11.4	1.6	60.2	24.4	3.93	4.00	4	
e	My short-term goals or day-to-day tasks are in line with my long-term goal.	3.3	7.3	7.3	56.9	25.2	3.93	4.00	4	
f	Weigh the costs and benefits that I intend to get In every action that I undertake in my business.	0.8	2.4	4.1	61.0	31.7	4.20	4.00	4	
g	Evaluate results against my strategic goals.	2.4	10.6	5.7	53.7	27.6	3.93	4.00	4	
TOTAL		123								

The rating on Strategic Competence issues on a five point Likert scale indicates that majority of respondents agreed that Strategic Competence affects Business Performance of graduates with physical challenges with the issue, “strictly follow my laid down goals in whatever i undertake to do in my business” recording a highest frequency value of 74 (60.2 per cent), and the issue, “i am very often the first to introduce new products/services as compared to my competitors” scoring the lowest response with a frequency value of 40 (32.5 per cent). Table 2 reports these findings. Majority of respondents believed that they were following their laid down objectives however, a frequency value of 14 (11.4 per cent) disagreed that they strictly followed laid out goals in whatever they undertook in their businesses.

A number of respondents confirmed that they did not plan ahead of time with 7 respondents (5.7per cent) strongly disagreeing while 16 respondents (13.0 per cent) disagreed. Moreover, 9 respondents (7.3 per cent) were not sure whether they planned ahead of time. This could be attributed to the poor performance in business. Respondents having a frequency value of 30 (24.4 per cent) disagreed that they knew the projected direction of the industry and how changes could impact on their businesses. “Am very often the first to introduce new products/services as compared to my competitors”, the response rate was worrying because a frequency value of 38 (30.9 per cent) disagreed; 11 (8.9 per cent) strongly disagreed and, 16 (13.0 per cent) were not sure. A total frequency value of 65 (52.8per cent), that is, more than half of the respondents did not come up with new products or services. Majority of respondents reported that they had well laid down strategies that could enable them to sell more than their competitors, for instance, not compromising on quality of their goods or services, advertising their products or services, selling at a value pricing, out sourcing products, and ensuring there are new products in the business. This competence field was anchored on the theory of Resource Based View that addresses a firm as possessing specific and valuable competencies that are immobile and heterogeneous in order to have a sustainable competitive advantage.

**Scatter Plot showing Strategic Competence versus Business Performance**



**Figure 1: Scatter Plot showing Strategic Competence versus Business Performance**

Among the objectives of the study was to assess the relationship between Strategic Competency and Business Performance of graduates with physical challenges in Kiambu County in Kenya. The figure above indicates that there was a positive linear relationship between Strategic Competence and Business Performance with a positive gradient of 1.344 (see Table 6). It shows a positive gradient indicating that Strategic Competence had an influence on Business Performance. The second quadrate of the line of best fit has the most plots crowded showing an estimate line that is positively increasing. A few outliers are present in the scatter plot and most plots are concentrated at the upper right side. This implies that increased Strategic Competence led to increased performance and the opposite is true that a decrease in Strategic Competence would lead to poor Business Performance. A conclusion was reached at that Strategic Competence is vital for any business to perform optimally. This led to the rejection of the fifth null hypothesis that, there was no significant relationship between Strategic Competence and Business Performance, therefore, concluded that the relationship existed.

**Correlation between Strategic Competence versus Business Performance**

**Table 3: Correlation between Strategic Competence and Business Performance**

		BUSINESS PERFORMANCE	STRATEGIC COMPETENCE
BUSINESS PERFORMANCE	Pearson Correlation	1	.685**
	Sig. (2-tailed)		.000
	N	123	123
STRATEGIC COMPETENCE	Pearson Correlation	.685**	1
	Sig. (2-tailed)	.000	
	N	123	123

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

Correlation analysis between Strategic Competence and Business Performance constructs was conducted. Table 3 depicts this relationship with a coefficient value of .685 showing a statistically significant positive linear relationship between Strategic Competence and Business Performance. It was concluded that Strategic Competency was the best predictor of Business Performance. This is the ability to systematically plan how to meet short and long-term goals through developing plans which anticipates obstacles and evaluates alternative tasks by taking logical and systematic approach to activities. This is also being able to identify new and potentially unique ideas to reach goals and allow one to switch to alternative strategies.

**Regression Analysis**

**Table 4: Model Summary of Strategic Competence versus Business Performance**

**Model Summary**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.685	.469	.464	1.94709

**Predictors: (Constant), STRATEGIC COMPETENCE**

From table 4, the regression model on Strategic Competence versus Business Performance, the coefficient of determination R square is .469 and R is .685 at 0.05 significance level. The coefficient of determination indicates that 46.9% of the variations on Business Performance is explained by Strategic Competence. This implies that there exists a positive relationship between Strategic Competence and Business Performance. Strategic Competence was considered as the best predictor of Business Performance among the subjects of the research study.

**Table 51: Analysis of Variance between Strategic Competence versus Business Performance**

**ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	404.659	1	404.659	106.738	.000 <sup>a</sup>
Residual	458.731	121	3.791		
Total	863.390	122			

**Predictors: (Constant), STRATEGIC COMPETENCE**

**Dependent Variable: BUSINESS PERFORMANCE**

From table 5, the Analysis of Variance results on Strategic Competence versus Business Performance for the regression coefficient indicates that the significance of the F value, 106.738, is 0.000 which is less than 0.05 implying that there is a significant relationship between Strategic Competence and Business Performance.

**Table 6: Regression Coefficients of Strategic Competence versus Business Performance**

**Coefficients**

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	6.611	.927		7.132	.000
STRATEGIC COMPETENCE	1.344	.130	.685	10.331	.000

**Dependent Variable: BUSINESS PERFORMANCE**

Table 6, represents the regression coefficients of Business Performance and Strategic Competence. The coefficient of Strategic Competence is 1.344 implying a positive and significant influence on Business Performance. A single unit change in Strategic Competence increases Business Performance by 1.344 units. The fitted model  $Y=6.611+1.344*X_5$  explains that even when Strategic Competence is non-existent, Business Performance is still positive at 6.611 indicating that there are other drivers of Business Performance.

**Moderation between Strategic Competence and Business External Environment**  
**Table 7: Coefficients of Strategic Competence and Business Performance**

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	6.611	.927		7.132	.000
STRATEGIC COMPETENCE	1.344	.130	.685	10.331	.000

**Dependent Variable: BUSINESS PERFORMANCE**

The study showed that Strategic Competence predicted Business Performance with a coefficient 1.344 and p-value .000 (see Table 7). A constant coefficient of 6.611 meant that even without the Strategic Competence in the picture, Business Performance could be influenced by other variables up to 6.611 units. These variables could be other competencies that formed the independent variables that the researcher had hypothesized; or other factors that were not included as research variables referred to as the “error term” and symbolized as ( $\epsilon$ ) in statistical models.

**Table 8: Model Summary of Strategic Competence and Business External Environment**

**Model Summary**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.994	.989	.988	1.75453

**Predictors:**

**STRATEGIC\_COMPETENCEBUSINESS\_EXTERNAL\_ENVIRONMENT, BUSINESS\_EXTERNAL\_ENVIRONMENT, STRATEGIC COMPETENCE**

From Table 8, the coefficient determination of R square is .989 and R is .994 at .005 significance level. The coefficient of determination indicates that 98.9% of the variations on Business External Environment is influenced by Strategic Competence. This implies that there exists a positive relationship between Strategic Competence and Business External Environment.

**Table 9: Analysis of Variance between Strategic Competence and Business External Environment**

**ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	32037.710	3	10679.237	3469.121	.000
Residual	369.404	120	3.078		
Total	32407.114	123			

**Predictors:**

**STRATEGIC\_COMPETENCEBUSINESS\_EXTERNAL\_ENVIRONMENT, BUSINESS\_EXTERNAL\_ENVIRONMENT, STRATEGIC COMPETENCE**

Table 9 above shows an F value of 3469.121 at 0.000 significance level which is less than 0.05 implying that there is a significant relationship between Strategic Competence and Business External Environment.



**Table 10: Coefficients of Strategic Competence and Business External Environment Coefficients**

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
STRATEGIC COMPETENCE	1.411	.159	.619	8.897	.000
BUSINESS EXTERNAL ENVIRONMENT	.530	.057	.528	9.301	.000
STRATEGIC_COMPETENCEBUSINESS_EXTERNAL_ENVIRONMENT	-.021	.010	-.149	-2.047	.043

**Dependent Variable: BUSINESS PERFORMANCE**

When Strategic Competence (X) was regressed with Business External Environment (Z) and the interaction term of Strategic Competence and Business External Environment (X, Z) as predictors of Business Performance (Y), (see Table 10) the coefficient of this interaction was found to be p-value .043 which was significant since it was less than p-value 0.05. This meant that Business External Environment had a significant moderating effect on the relationship between Strategic Competence and Business Performance of graduates with physical challenges in Kiambu County in Kenya. Business External Environment constructs being Business Location and Access to Finance contributed greatly to the ability to set one’s roadmap for their business in order to move towards the set goals.

The lack of separation between ownership and control in small firms suggests that business owners themselves are responsible for the direction and the development of their firms Vijay *et al.*, (2011). Persons forming a business venture are responsible for its success or failure. If one gets an unfavorable location, it is solely his or her responsibility to make the decision whether to stick or to move to a more favorable location. It is also one’s decision to decide to ask for assistance from financial institutions or to get it from one’s *chamas* (small groups based on contributions of money), well-wishers, sponsors, donors or even family and friends.

Strategic Competencies are essential competency areas required for the task of setting the direction of the firm and deciding the actions to take towards that direction. The results of the effect of Strategic Competence of entrepreneurial competencies on Business Performance revealed that Strategic Competence affects Business Performance of graduates with physical challenges in Kiambu County in Kenya. The reason was that the relationship between Strategic Competence and Business Performance of graduates with physical challenges was statistically significant at (p < 0.000) which led to the rejection of the fifth null hypothesis, that stated there is no significant relationship between Strategic Competence and Business Performance of graduates with physical challenges in Kiambu County in Kenya. The correlation findings of .685 denoted a considerably strong and positive linear relationship between Strategic Competence and Business Performance. This so far was the greatest correlation that existed among the competencies of the research. Moreover, it had greatest percentage 46.9% variations of Business Performance being explained Strategic Competence. This was translated to mean that Strategic Competence was the best predictor of Business Performance of the subjects under the research study. These results implied firstly, that graduates with physical challenges in Kiambu County in Kenya were able to set strategies of running their businesses. Secondly, they were able to apply tactics to customers and competitors. There was a hitch in evaluating oneself in implementing strategies resulting to a noticeable failure in estimating financial feasibility, moreover, majority failed to monitor their strategic outcome.

Regression analysis between Strategic Competence and Business Performance gave a coefficient of 1.344 and a p-value .000. The coefficient determination of R square was .989 and R was .994 at 0.05 significance level and F=3469.121. When Strategic Competence was regressed with Business External Environment and the interaction term of Strategic Competence and Business External Environment as predictors of Business Performance, the coefficient of this interaction was found to be p-value .043 which was significant since it was less than p-value 0.05. Therefore, it was concluded that Business External Environment did moderate the relationship between Strategic Competence and Business Performance of graduates with physical challenges in Kiambu County.

**V. CONCLUSIONS**

**H<sub>05</sub>:** There is no significant relationship between Strategic Competency and Business Performance of graduates with physical challenges in Kiambu County in Kenya.

A correlation analysis between Strategic Competence and Business Performance constructs was conducted and a coefficient value of .685 was arrived at showing a statistically significant strong positive linear relationship between Strategic Competence and Business Performance. This indicated that when Strategic Competence increased, Business Performance increased as well. This eventually led to discarding the null hypothesis and confirmed the existence of the relationship. The Cronbach’s Alpha coefficient of Strategic Competence was .770 indicating that the measures were reliable. Majority agreed with the issue “strictly follow my laid down goals in whatever I undertake to do in my business” recording a frequency value of 74 (60.2 percent). The coefficient determination of R square was .469 implying that 46.9 percent of variations on Business Performance were explained by Strategic Competence. The significance of Strategic Competence was 0.000 which was less than 0.05 implying that there was a significant relationship between

Strategic Competence and Business Performance. The coefficient of Strategic Competence was 1.344 implying a positive effect on Business Performance. A single unit change in Strategic Competence increased Business Performance by 1.344 units.

Strategic Competencies are related to setting, evaluating and implementing the strategies of the firm Lau *et al.*, (2000). In SMEs, the critical resources are likely to be held by the individual entrepreneurs that are reflected in their skills, knowledge, abilities, experience and education. Being the key decision makers, the entrepreneurs have high influence on the formation of business strategy and are responsible to set the roadmap for their firms to move towards the set goals. The lack of separation between ownership and control in small firms suggests that the business owners themselves are responsible for the direction and the development of their firms Vijay *et al.*, (2011). Being the owner of the firm, the entrepreneur must set the direction for the whole company. This category of competencies require the entrepreneur to have a vision or a big picture in their mind for their business, to have clear goals to achieve, or to formulate and implement strategies to achieve these visions and goals Lau *et al.*, (2000).

Majority of the interviewed respondents admitted to having been able to view their businesses in a broader picture as well as setting a clear road map. They had visions and set goals for their businesses which they hoped to attain. Majority were able to achieve short term goals like replenishing products on time and ensuring they kept their competitors on their toes whereas, a good number had no set goals. Majority were able to come up with strategies of selling goods that were not moving as fast as possible, for instance, through rebranding or lowering their prices. Respondents in transport business were able to venture in new routes as well as taking advantage of importing vehicles tax free which is a fair consideration to persons with disabilities by the government of Kenya.

#### **Entrepreneurial Recommendations**

Financial skills and capabilities are vital for every small business in order to record any growth and expansion. Most of the respondents in the research had scarce knowledge in the manner of handling finances to an extent that some did not know whether they were making profits or not. The stakeholders as well as the business owners should make effort to acquire the necessary financial skills for better performance. The findings of the study also showed that goal setting was a major setback and meeting the set personal goals among the respondents was minimal, therefore, persons with physical challenges need training in this area.

#### **Policy Recommendations**

A policy implication emanating from the study is that there is need for stakeholders involved in promoting entrepreneurship among the disadvantaged minorities such as the Government, Non-Governmental Organizations, and Disabled People's Organizations to introduce special programs that will promote entrepreneurship and embrace entrepreneurial spirit and behavior with the goal of improving business performance. Such programs range from training, better financing from financial institutions such as having special loans tailor-made for persons with disabilities with different interest rates from the market rate (current interest rates at the Central Bank of Kenya is 13.5%) thus, disabled people should enjoy a much lesser rate; have a platform in the mass media, both electronic and print for marketing products and services offered by persons with disabilities; basically allowing a person with disability to access the market with ease. Let the structures in place (whether legal or physical) that are obstructive be removed and allow Persons with Disabilities free access to the market.

#### **Area for Further Research**

The researcher only dealt with physical impairment (mobility defects) and did not delve into other forms of impairments such as hearing impairment, visual impairment and intellectual impairment. Research should be carried out to establish the entrepreneurial capabilities among these groups. It would be very interesting to compare the results.

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