



Influence of Training Strategy on Growth of Small and Micro Enterprises in Kenya: A Case of Women Enterprise Fund

Tom Ongesa Nyamboga^{1*}, Edwin Odhuno² and Walter Okibo Bichanga³

¹*School of Business and Economics, Mount Kenya University, Kenya.*

²*School of Business and Economics, Mount Kenya University, Kigali Campus, Kenya.*

³*School of Business and Economics, Jomo Kenyatta University of Agriculture and Technology, Kenya.*

Authors' contributions

This work was carried out in collaboration among all authors. Author TON designed the study, performed the statistical analysis, wrote the protocol and wrote the first draft of the manuscript as well as the literature searches. All authors read and approved the final manuscript.

Article Information

DOI: 10.9734/AJEBA/2019/V13i130162

Editor(s):

(1) Dr. Ivan Markovic, Faculty of Economics, University of Nis, Serbia.

Reviewers:

(1) Pedro Miguel Alves Ribeiro Correia, University of Lisbon, Portugal.

(2) Olutosin A. Otekunrin, Federal University of Agriculture, Nigeria.

(3) Parul Sharda, Devi Ahilya University, India.

Complete Peer review History: <https://sdiarticle4.com/review-history/52749>

Original Research Article

Received 02 November 2019

Accepted 12 November 2019

Published 15 November 2019

ABSTRACT

The government of Kenya established Women Enterprise Fund to enhance the growth of Small and Micro Enterprises in the country through its training strategy. The purpose of this study was to establish the influence of training strategy on growth of SMEs in Kenya. This research used a descriptive survey based design. The study's target population was composed of group leaders' beneficiaries of Constituency Women Enterprise Scheme. Both cluster sampling and simple random sampling were used to select a sample size of 335 respondents. Quantitative primary data was collected by use of structured questionnaires. The data collected was analyzed according to research objectives. The study utilized both descriptive statistics and inferential statistics to analyze data. Both ANOVA and Regression Analysis were computed to assess the correlation between the variables. The findings of the study established that majority of clients had acquired relevant business skills. The training was given to most clients on a regular basis and enabled them to operate their SMEs more effectively. ANOVA results showed a correlation between training strategy

*Corresponding author: E-mail: ongeshtosh@yahoo.com;

and growth of SMEs since the calculated P value 0.001 was less than the critical value 0.005. The study therefore established a positive relationship between training strategy and growth of SMEs. The findings of this study will help the government of Kenya to formulate training strategies that would boost the growth of SMEs in the whole country. The study recommends the government to provide frequent training to all SMEs in the country to make them more efficient and effective.

Keywords: Training strategy; small and micro enterprises; women enterprise fund; entrepreneurs; constituency women enterprise scheme; Government of Kenya.

1. INTRODUCTION

SMEs form the largest segment of commercial enterprises in the informal sector. These business enterprises provide economic opportunities to marginalized groups, particularly in the rural areas, by providing access to entrepreneurs to create jobs and generate revenue [1,2]. In recent past SMEs sector has shown a high growth in the business sector. The major advantage of this sector is its potential to create employment with low capital cost [3]. A vibrant SME sector contributes greatly to the nation's economic wellbeing, in terms of GDP, by reducing unemployment levels, reduction of poverty levels and promotes entrepreneurship activities. The role of SMEs in the country's development is significant Bayati, & Taghavi [4]. Millions of SMEs source directly from million smallholder farmers across Africa south of the Sahara. These SMEs are mostly led by women and include food processors. The SMEs provide a range of services from transport to logistics. Alliance for a Green Revolution in Africa (AGRA) 2019 Agricultural Status Report (AASR) finds that majority of what Africans eat flows through value chains managed by SMEs that purchase goods directly from smallholder farmers and then process, package transport and sell food products to urban and rural consumers Malhotra [5], Otekunrin et al. [6].

In the USA, SMEs play a critical role of rejuvenating and sustaining the modern economy. They generate substantial employment and serve as important innovation engines for the world economy. In US, with its large multinational corporations, SMEs are still indispensable. According to the Small Business Administration (SBA) they employ half of all private sector employment, pay more than 45 percent of total US private payroll, have generated 60-80% of new jobs annually over the last decade, and currently employ 40 percent of high technology workers Bharati et al. [7]. Despite these, the poor economic conditions have compelled most individuals to abandon

formal jobs and seek self-employment in the Small in the SMEs sector. Current trends show major decrease of the SMEs in the USA Buchanan [8].

In china SMEs are great contributor of the economy and account for about 98.9% of the total number of businesses and 65.6 percent, 63.3 percent, 54 percent and 77.3 percent, of gross industrial output value, sales revenues, total profits and employed people respectively. Economic development and SMEs development are completely interrelated Liu [9] and Singh et al. [10]. Although SMEs are significant contributor of the Chinese economy, their performance is turning out to be poor as reflected by the slow growth rates. Skills in entrepreneurship and small business development vary between regions and considerable gaps exist in development across the country Liu [9]; Canbin [11] and Yulanda [12].

Indian SMEs are recognized as major contributor in the economic growth of the nation. They are regarded as the backbone of the Indian economy. Almost 20% of the Indian SME sector is based in the rural areas and continues to provide employment opportunities to about 40% of the Indian labor force. According to the Reserve Bank of India (2017), in the year 201-16, the SME sector comprised of more than 51 million enterprises employing more than 17 million persons. The sector manufactures more than 8000 products, ranging from traditional to sophisticated products Nyamboga et al. [13]. In spite of the high growth rates and good prospects, the Indian SME sector has been subject to certain constrains, including lack of skilled manpower Singh et al. [10]; World Bank [14] and Mukherjee [14].

The SMEs play a crucial role in the economy of South Africa in job creation and income distribution Cant & Wiid [15]. The creation and sustainability of new SMEs are pivotal to the economic prosperity of this country Fatoki and Gware [16]. The SMEs account for roughly 91

percent of the formal business entities contributing to about 51 and 57 percent to the GDP and 60 percent of employment in South Africa Kongolo [17]. However most SMEs in south Africa don't make it past the second year of their trading with failure rates as high as 63 percent, majorly due to resource constrains Roberts [18].The SMEs in this country need comprehensive entrepreneurship training program for their success Ladzani & Vuuren [19].

In Nigeria, the SMEs form over 70 percent of the informal sector where they contribute significantly to the economy Yusuf-Habeeb & Ibrahim [20]. Alese [21], noted that this notion stemmed from the realization that almost all countries, including Nigeria, that focused on SMEs sector, have ended up in the significant reduction of poverty rates, increased per capita income and have rapid national output. Being in the informal sector, there is an information gap between government and most Nigerian SMEs. The informal sector is a neglected sector (Yusuf-Habeeb and Ibrahim [20]).

In Kenya, the SMEs sector is outstanding in economic development of the nation. The sector employs millions of people and contributes significantly to the economy (Katua [22]). Despite this, reports indicate that majority of the SMEs in Kenya have closed down and collapsed due to lack of adequate business skills. A survey by National Bureau of Statistics of 2016 shows that about 2.2 million SMEs have shut down in the last five years leaving the sector with about 7.8 million enterprises. Majority of the collapsed businesses are located in the rural areas and this has been attributed to low levels of literacy (Kangethe [23]).

The government of Kenya introduced Women Enterprise Fund as a micro credit to promote the growth of women SMEs through training. According to WEF, training services are offered to the clients of Constituency Women Enterprise Scheme (CWES) to enhance business management skills (WEF [24]). Group member beneficiaries of CWES are given training services on general business management skills as a condition for loan application. Reports indicate that most women clients do not have entrepreneurial skills to utilize the loans effectively. Some group members are not able to select viable business opportunities due to lack of knowledge. Additionally, low illiteracy levels among women beneficiaries of CWES, render most clients unable to understand business plans

especially those framed in English language (WEF [25] and WEF [24]). Despite the implementation of training strategy by WEF women continue to face challenges in utilizing the loans from the agency (Kangethe [23]).

SMEs remain very instrumental in the economic development of the country. If the women in SMEs were well funded and given adequate training, it will improve their standard of living and reduce poverty rates. However they face challenges that hinder their business growth. Failure of SMEs in Kenya may be attributed to many factors emanating from the environment (Kemunto [26]). Given this state in SMEs in Kenya, there is need to establish the hindering factors to improve SMEs performance. Therefore the aim of this study was to establish the influence of training strategy on growth of SMEs in Kenya.

1.1 Statement of the Problem

The government of Kenya recognizes the enormous contribution of SMEs in the economic development of the nation. Kenya's vision 2030 identifies SMEs to be vital in the development of the nation. Consequently WEF was initiated as a micro credit geared to stimulate the growth of SMEs. Training is an integral part of WEF micro crediting strategies aimed at imparting entrepreneurial skills and knowledge to boost the growth of women owned SMEs. Group member beneficiaries of CWES are given training services on general business management skills as a condition for loan application (WEF [24]).

The growth of the SMEs is quite slow in most parts of the country. This has negatively affected the country's Gross Domestic Product. Most of the SMEs have a high infant mortality, collapsing a few years after start up. A survey by National Bureau of Statistics of 2016 shows that about 2.2 million SMEs have shut down in the last five years leaving the sector with about 7.8 million enterprises. Majority of the collapsed SMES are located in the rural areas and this has been attributed to low levels of literacy of the operators of the SMEs (Kangethe [26]). Most women clients do not have entrepreneurial skills to utilize the loans effectively. Some group members are not able to select viable business opportunities due to lack of knowledge. low illiteracy levels among women beneficiaries of CWES has made most clients unable to understand and interpret business plans especially those framed in English language (WEF [24]). The WEF Strategic

Plan (2013-2017) estimated to increase the number of women trained from 78% to 93% by June 2017.

Despite the implementation of training strategy by WEF, most women SMEs continue to perform poorly in utilizing the loans. The persistent poor growth of SMEs in most parts of the country is the concern of this study. There is need to carryout a comprehensive study to determine the extent to which training strategy has influenced the growth of SMEs in Kenya. Furthermore, literature reviews on SMEs reveal inadequate empirical findings that evaluate the relationship between training strategy and growth of SMEs. Most studies have focused on the impact of credits on business performance. This study was intended to fill these gaps by establishing the influence of training strategy on the growth of SMEs in Kenya.

The study's objective was to establish influence of training strategy of WEF on growth of small and micro enterprises in Kenya. It was framed on both null and alternate hypothesis:

H₀: There is no significant relationship between training strategy of WEF and growth of small and micro enterprises in Kenya.

H₁: There is a significant relationship between training strategy of WEF and growth of small and micro enterprises in Kenya.

1.2 Underpinning Theory

The study was based on the theory of human capital that was propounded by Horace Mann. The proponents of this theory identify the importance of educational training and experiences in order to come up with informed decisions concerning establishing a business venture and operating it successfully. Educational training is has a direct linkage to the success of an entrepreneur (Garry [27]; Cooper [28]). This theory emphasizes on knowledge and skills that are gained through educational training and experience. As Anderson & Miller [29] confirmed, these resources enable people to carry out well articulated identification of business opportunities and eventually proper utilization of these opportunities. This theory is important in explaining how training strategy is fundamental in attaining the growth of SMEs owned by women in Kenya. The training offered to women groups, through WEF, is assumed to generate prerequisite business skills to improve performance and growth of the SMEs.

1.3 Training Strategy and Growth of SMEs

Studies by OECD [30], established the relationship between training and growth of SMEs. The study found out inadequate management experience to be a great contributor of failure of the SMEs sector. These findings show that that knowledge and training in business related concepts assists business owners to manage business transactions hence reducing operational costs. Lack of adequate sales and marketing skills leads to the failure of most SMEs. Research studies by Olawale and Garwe [31], observed that the use of crediting and training strategies needs to be adopted simultaneously to spur the growth of SMEs. Skills in business management provide an entrepreneur with the needed entrepreneurial skills while business management training provides managerial competence needed for making business decisions Educational training provides skills that help to enhance the growth of SMEs globally (Kedogo [32]).

A study conducted by Njoroge and Gathungu [33], argued that entrepreneurial trainings focus on developing `business growth. Training helps to provide knowledge on how to deal with financial creditors mainly on the mechanisms of obtaining credit. However, the suggestions of this study are focused on big business organizations but not on SMEs. Training improves entrepreneurial skills and change in behavior of the trainees. Training makes an entrepreneur to create more business opportunities and maintain full control of a business enterprise. The educational training given to traders enables them to successfully conduct their businesses, acquire new business skills and open up new opportunities for business growth. Investment in human assets results leads to higher production, creation of more jobs and higher wages (Kessy and Temu [34]).

Research findings have shown that training helps an entrepreneur to obtain desired knowledge for the business. In relation to customer base, training services improve business development (Muteru [35]). According to Mwarari [36], improved business skills, through venture development services, assist women micro creditors to improve their marketing strategies and target more customers. As a result of this, there is increment in the customer base. Training has significance effect on the development of small enterprises. Most female entrepreneurs

lack this. Women have less experience of using formal banking services; have less knowledge on crediting of bank loans, and have less awareness of the bank requirements (Ibru [37]).

Study findings reveal that training empowers growth of women enterprises, on several aspects of capacity building, especially on decision making, political involvement and making purchases. According to studies by IFAD [38], training women improved the ability to make decisions, express personal feelings and attain societal respect. According to Weerakkody & Ediriweera [39], training improved self-confidence as well as the ability of women to control productive assets. Apart from increasing the ability to make decisions, educational training affects female status in the family, especially the reduction in women related conflicts. Training skills given to trainees help them to keep business records and business documents. They are also able to manage sales even though they fail in profit management. Acquiring business skills are important because they enable an entrepreneur to develop the much needed competence (Forth & Bryson [40]).

A study by Scott, Leritz and Mumford [41], noted that training in business related matters provides room for a micro trader to enhance creativity and innovation and as such develop desirable management skills of the investment. The study argued further that training is necessary for any business person to possess useful business skills. When adequate business training is offered, the resultant feature is enhanced managerial skills as well as good business performance. A research by Andree & Raymond [42], noted that the operators of small businesses but are not well trained in business management matters, tend to suffer from unclear business vision, lack of knowledge and business experience.

A study carried in developed countries such as USA, established that a strong relationship do exist between training services provided and the nature and size of the firm. In big firms, managers use some of their time frequently to train their staff (Kotey & Folker [42]). In countries such as Canada, studies carried out reveal that there a strong relationship between the size of the firm and training. In such countries, firms with adequate training services tend to perform better in terms of quality of products, generation of high income, creation of more profits and business viability (OECD [43]). Research by Elnaga &

Imran ([44]), established that firms that are focused on training of the human resource are more significant than others, in terms of income generation. On the same vein, more reports show that training received by an entrepreneur leads to better performance of SMEs in third world countries (Yayha, Othman & Shamsuri [45]).

A report by OECD [46], added more weight to these segments by asserting that training strategy is key to growth of business due to skills and economic growth it produces. Entrepreneurs who have adequate skills stand a good chance of providing employment opportunities and can easily uplift their business status. Business skills obtained become a cornerstone of dealing with joblessness in a nation. The business environment is quite dynamic and as such there is need for the micro traders to be trained in order to make them relevant. The expansion, growth and development of a business, are directly related to the training of the human resources. Studies on training and growth of SMEs show that any training that is provided emanates from the organizational effort (Samwel [47]). Measures of business growth on SMEs is done in terms of high sales turnover, revenue generated, profits, high employment levels as well as capital investment on business (Sarwoko & Frisdiantara [48]). Training equips a trader with business skills and makes an enterprise adaptive to turbulent business environment. For women entrepreneurs to be equal to men in terms of productivity, they need much training (Ajuna, Ntale & Ngui [49]).

Researchers have identified training to be an essential variable that influences an enterprise. This is because creativity, ability to innovate and make the right judgment as well as knowledge and skills are needed to manage SMEs (Natul [50]). Entrepreneurial training assists a trader to adapt to harsh condition more efficiently. Furthermore studies that were conducted by Rodriguez et al. [51], revealed that the age of micro trader is significant in determining the growth, expansion and development of SMEs. This study shows that middle aged entrepreneurs are able to adjust well to drastic dynamics of the market forces of demand and supply. Further research conducted has shown that females who possess lower business experience and operating business enterprise tend to perform poorer than their male counterparts. This research shows that female entrepreneurs acquire more knowledge and skills when they run

and control productive resources these women stand a better chance to add up their level of business skills, gather business information and are capable to solve and overcome business problems (Eshetu & Zeleke [52]). Studies by ILO [53], had identified inadequate of competence skills and low business management skills to be a major facing women SMEs in Ethiopia. Lack of market knowledge and scarcity of time are hindrances to growth in Ethiopia.

Research findings show that most entrepreneurs in Africa don't have the necessary competencies and knowledge to penetrate the market and carryout productive processes (UNECE [54]; Fjose, Grunfeld & Green [55]). On top of this, most females encounter gender exclusion. Training is a necessity of attaining good business outcome. However some scholars have shown that female are less knowledgeable in business management skills and perform poorly. Household duties deny females the opportunity to acquire training. This renders most women to stay without desired expertise and experience to excel in their business endeavors. Despite the positive correlation between training and growth of SMEs, does not see any direct link between training and business growth (Ewoh [56]).

Research conducted observed that most countries, including Kenya, do not have a well-coordinated policy on entrepreneur training. This in essence affects the growth and development of SMEs in a negative way. Literature reviews on SMEs reveal inadequate empirical findings that evaluate the relationship between training strategy and growth of SMEs. It is not clear whether training has significantly influenced business growths (KIPPRA [57]). Weerakkody and Ediriweera [39], noted a positive and significant relationship between training and growth of micro business. Majority of female micro traders in less developed nations don't have adequate knowledge on business matters that is a significant component of entrepreneurship process (IFC [58]). As Roomi and Parrot [59] and Porter & Nagarajan [60], argued on how training impacts on the effectiveness of female owned SMEs in less developed nations needs to be addressed fully; as seen in many situations where most women continue to have low educational levels and face a lot of inequalities.

From the reviewed literature, the influence of training on SMEs is debatable. It is not clear on whether training has significantly influenced

business growths (KIPPRA [57]). Literature reviewed on SMEs reveal inadequate empirical findings that evaluate the relationship between training strategy and growth of SMEs on the African context. Furthermore, the micro credit model replicated globally was established in Bangladesh. Researches on the strengths and weaknesses of micro crediting strategies such as training are measured along this context. Women enterprises are contextual hence change from place to place but micro crediting strategies are applied used uniformly in many parts of the world. Most researches conducted on the performance of SMEs focus much on the economic variables and not much attention is given to social dimensions. This study was destined to fill these gaps.

2. RESEARCH METHODOLOGY

2.1 Research Design

This study was carried out within Nyanza Region of Kenya. The region has six counties of Kisii, Nyamira, Migori, Kisumu, Siaya and Homa Bay. The region is located in the southwest part of Kenya around Lake Victoria. The research sites constituted the counties of Kisii, Nyamira and Migori and were purposively selected because of poor performance of SMEs in these areas.

Descriptive survey research design was adopted in this study to collect and analyze the opinion of women beneficiaries of WEF on their experience on crediting strategy and growth of SMEs. A research design is a conceptual structure within which research is conducted (Kothari [61]). Descriptive research design studies all the design information to obtain pertinent information concerning the status of the phenomena and draws conclusions from the facts discovered (Kumar [63]). Using this design, the researcher attempted to find answers to questions by assessing how crediting strategy influenced the growth of SMEs. The target population consisted of all groups' leaders beneficiaries of CWES from all the constituencies of Migori, Nyamira and Kisii Counties. In the current study, the target population was 2032 respondents, and this included all women group leaders from a total of 2032 groups. The group leaders were selected purposively because they have experience and detailed information concerning crediting strategy and its influence on SMEs. The researcher targeted women group leaders who benefited from the CWES between the year 2013 and 2017.

Table 1. Target population

County	Number of constituencies	Women groups	Target population
Kisii	9	1205	1205
Migori	8	479	479
Nyamira	4	348	348
Total	21	2032	2032

Source: Women Enterprise Fund Report (2018)

A sample size of 335 was used for this study, constituting women group leaders who had benefited from CWES between 2013 and 2017 in all constituencies of Nyamira, Kisii and Migori counties (Nyamboga et al. [13]). The study selected women group leaders from a population of 2032 by using Yamane [63] sampling frame formula:

$$n = \frac{N}{1 + Ne^2}$$

Where,

n= sample

N= population

e² = margin error (0.05).

n= 2032/1+2032(0.05)²

n=335

Women respondents were selected in a random manner from each site proportionally. Cluster sampling was ideal for selecting women group leaders. A list of all beneficiary women groups was selected from each case study site by the use of simple random sampling, using random numbers through computer programs. The researcher then selected women group leaders from each cluster as respondents. All the women group leaders' of the selected clusters then became units of observation and were included in the sample. Gupta [64], suggested that a sample is regarded as large if it exceeds 30 and therefore 335 was an appropriate size. The duration of credit was considered an important ingredient to track the impact after a long period. This gave a better understanding if WEF had any influence on the growth of women SMEs.

Structured questionnaires were used to collect primary data from the respondents. According to

Mugenda & Mugenda [65], structured questionnaires are research tools used to collect information from the study population. The structured questionnaires had closed-ended questions that were simple to analyze and aided in obtaining quantitative data. Likert scale with 5 response categories was used to measure research variables. Piloting of the research instruments was done to ensure content validity, correct wording, clarity of expression and understandability. Piloting was done on a sample of 10% of the respondents from cluster groups that were excluded from the final study. Cronbach alpha coefficient method was used to test the reliability of the research tools (Nyamboga, et al. [13]). The research tools were administered twice to the same group of respondents in an interval of one week. The questionnaires that were used in the pilot study were coded, and their responses tested to generate their reliability coefficient by use of SPSS Version 24.

A reliability of 0.79 was obtained and considered significant for this study. The research instruments were tested and pretested on the randomly selected respondents to ensure that the research tools were accurate and would be correct to be used by others. Content validity was used for this purpose. The quantitative data in this research was analyzed by descriptive and inferential statistics with the aid of Statistical Package for Social Sciences (SPSS version 24). In this study, descriptive statistics included measures of central tendencies, measures of dispersion, frequencies, and percentages. The study used one way ANOVA and linear regression analysis to establish the relationship between the independent variable and dependent variable.

Table 2. Sample size

County	Number of constituencies	Women groups leaders	Cluster sampling of women group	Sample size
Kisii	9	1205	199	199
Migori	8	497	79	79
Nyamira	4	348	57	57
Total	21	2032	335	335

Source: Author (2019)

The model $y = \alpha + \beta_1 X_1 + u$ was subjected to a test using linear regression to establish whether training strategy was a predictor of growth of SMEs.

Where,

Y = dependent variable (Growth of SMEs)

X_1 = independent variable (Training strategy)

α = constant

β_1 = the coefficient of the independent variable

u = the error term. (Mugenda & Mugenda [65])

Thereafter results from data analysis procedure were tested to establish if they were statistically significant in order to decide on whether to reject or accept the null hypothesis hold at 0.05 confidence level.

3. RESULTS AND DISCUSSION

The study identified the following findings:

3.1 Response Rate

Three hundred and thirty five (335) respondents were expected to respond to research questions, out of which only 308 respondents answered, representing a response rate of 92%. Mugenda & Mugenda [65] and Kothari [61], observed that a response rate of 50% is adequate for a study. Sekaran [66] and Cooper & Schindler [67], confirmed that a response rate above 70% is very good for a study. The total sample size of 308 was therefore adequate to generalize the sample results to the entire study population.

3.2 How Does Training Strategy Influence Growth Of SMEs in Kenya?

To determine the influence of training strategy on the growth of SMEs, the respondents were asked to respond to a set of questions phrased on a five-point Likert scale:

5 = Strongly Disagree, 4 = Disagree, 3 = Not Sure, 2 = Agree, 1 = Strongly Agree

3.2.1 Does the training offered by WEF agents improve your business skills?

Information was sought to find out if the training offered by WEF agents assisted the entrepreneurs to improve their skills of doing business. The results obtained shows that most

respondents agreed to this statement as reflected by a mean score of 2.1092. On the same note some respondents disagreed with this statement as indicated by a standard deviation of 0.74501. The implication of this response is that majority of the entrepreneurs had been given training that assisted them to organize their SMEs. However this was not the case to all SMEs operators some of whom failed that the training that was provided was not adequate in imparting them with business skills to carryout their trading activities effectively.

3.2.2 Is the training offered by WEF agents done frequently?

Opinion was sought to establish whether the training offered by WEF agents was done frequently to the clients. The results obtained shows large proportion of the respondents agreed with the question as indicated by a mean score of 2.9415 while a standard deviation of 1.84700 shows a high variation from the mean, suggesting that some respondents disagreed with the statement. This implies that majority of the respondents were trained on business management frequently by the WEF officials. However some entrepreneurs were not given the trained frequently as they expected at their business locations.

3.2.3 Is the training offered by WEF agents relevant to business management?

The researcher sought information on whether the training offered by WEF agents was relevant to business management. The results obtained from this question reflect mixed reactions. Most of the respondents agreed with the statement as reflected by a mean score of 1.8540. A standard of 0.64483 indicates a high variation from the mean suggesting that some respondents disagreed with this statement. The feedback implies that majority of the entrepreneurs found the training they received to be relevant with their business management practices. Contrary to these views some respondents did find the training they received from WEF agents to be of any relevance to their business management operations and practices.

3.2.4 Does the training offered by WEF agents improve your savings from business?

The respondents were asked to respond on whether training offered by WEF agents helped

them to improve on their savings from their businesses. The findings showed mixed reactions. A mean score of 1.9010 indicates that most of the respondents were positive to this question, and therefore agreed that training services offered by the officials of WEF was significant in promoting their business savings. The standard deviation of 0.8118 signifies that some of the respondents were not in agreement with the statement. This response shows high variation from the mean. These clients did not find any connection between their business savings and the training they received from the WEF officials. The two aspects were therefore mutually exclusive.

3.2.5 Does the training offered by WEF agents increase your ability to make profits?

In regards to the question of whether training offered by WEF agents increased ability of the clients to make profits in the conduct of business, the results show that majority of the respondents agreed on statement and were positive that the training they received from the fund's agents had given them sufficient skills to manage their business effectively and were able to make proceeds as reflected by a mean of 1.9609. The standard deviation 0.86230 indicates high variation from the mean. This implies that some of the respondents did not agree on the statement and therefore did not find any significant correlation between the training they received and their profit making abilities.

3.2.6 Does the training offered by WEF agents help you to improve business growth?

The researcher wanted to confirm whether the training offered by WEF agents helped clients to manage and improve their business growth. From the results achieved a mean of 1.9026 shows that most of the respondents agreed with the question while the standard deviation of 0.82525 indicates high variation from the mean. This shows mixed opinion on the relationship between training strategy and business growth, with majority of the respondents remaining positive about the influence of the training on growth business of SMEs. Contrary to this stance, some clients did not find the training to have helped them to grow their businesses.

In conclusion on matters pertaining to training strategy and the growth of SMEs, the study

established a positive relationship between training strategy and growth of business.

3.3 Regression Analysis of Training Strategy and the Growth of SMEs

The model $y = \alpha + \beta_1 X_1 + u$ was subjected to a test using linear regression to establish whether training strategy was a predictor of growth of SMEs. Algebraically the model as follows:

$$\text{Growth of SMEs } y = \alpha + \beta_1 X_1 + u$$

Where,

Y = dependent variable (Growth of SMEs)
 X_1 = independent variable (Training Strategy)
 α = constant

β_1 = the coefficient of the independent variable
 u = the error term.

In Table 4 represents a regression model on training strategy and the growth of SMEs. As represented in the Table 4, the coefficient of determination R square is 0.052 and R is 0.228, at 0.05, significance level. The coefficient of determination indicates that 4.3% of the variation on training strategy influences growth of SMEs. It means that 4.3% of the variation in the business growth is explained by training strategy. This implies that there is a significant relationship between training strategy and growth of small and micro enterprises.

The one way ANOVA results shown in Table 5 confirms further that the model fit is appropriate for this data. The calculated 0.001 p value being smaller compared to the less critical value of 0.05, it implies a positive correlation between training strategy and growth of small and micro enterprises. The F-statistics of 5.445, reflects that the results are highly significant ($P < 0.001$) but it is very unlikely that they are computed by chance. It is therefore prudent to argue that the results show that the model fit is significant and improves the ability to predict the outcome variable.

The results in Table 6 indicate further a significant positive correlation existing between training strategy and development of small and micro enterprises. This is through the fitted model $Y = 0.705 + 0.113 \text{ Training Strategy}$ which implies that any unit change in training strategy results to increase in growth of SMEs by the rate of 0.113.

Table 3. Respondents' opinions on training strategy and growth of SMEs

Statement	Observations	Mean	Std. deviation	Variance	Min.	Max.
Does the training offered by WEF agents improve your business skills?	308	2.1092	0.74501	0.4320	1.00	5.00
Is the training offered by WEF agents done frequently?	308	2.9415	1.84700	1.2430	1.00	5.00
Is the Training offered by WEF agents relevant to business management?	308	1.8540	0.64483	0.5692	1.00	1.00
Does the training offered by WEF agents improve savings from business?	308	1.9010	0.8118	0.659	1.00	5.00
Does the training offered by WEF agents increase ability to make profits?	308	1.9609	0.86230	0.744	1.00	5.00
Does the training offered by WEF agents improve business growth	308	1.9026	0.82525	0.681	1.00	5.00

Source: Field Data (2019)

Table 4. Model summary

R	R square	Adjusted R square	Std. error of the estimate
.228 ^a	.052	.043	1.19460

Dependent variable: Growth of SMEs; Independent variable: Training strategy; Source: Researcher (2019)

Table 5. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.310	3	7.770	5.445	.001 ^b
	Residual	423.839	305	1.427		
	Total	447.150	308			

Dependent variable: Growth of SMEs; Independent variable: Training strategy; Source: Researcher (2019)

Table 6. Coefficients optima regression model

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. error	Beta		
1	(Constant)	.705	.138		5.113	.000
	Training strategy	.113	.052	.133	2.173	.031

Dependent variable: Growth of SMEs; Independent variable: Training Strategy; Source: Researcher (2019)

3.4 Hypothesis Testing

To determine whether training strategy influences business growth of SMEs, the hypotheses were tested:

H₀: There is no significant relationship between training strategy of WEF and growth of small and micro enterprises in Kenya.

H₁: There is a significant relationship between training strategy of WEF and growth of small and micro enterprises in Kenya.

Decision rule: If the calculated p value is found to be smaller than the critical value of 0.05, then the null hypothesis is not accepted and vice versa.

ANOVA results shown in the Table 6 confirms that the calculated 0.001 p value is smaller than 0.05, critical value. This implies the existence of a significant positive correlation between training strategy of WEF and the growth of SMEs. This led to the rejection of the null hypothesis (H₀₂) and the alternative hypothesis, which states "There is a significant relationship between

training strategy of WEF and growth of small and micro enterprises”, is accepted.

4. CONCLUSION

The findings of the study revealed that there was a positive and significant relationship between training strategy provided by WEF and the growth of SMEs. The overall implication is that, providing women clients with sufficient training services lead to improved growth of SMEs in terms of business growth, profit making and improved savings. From the findings, it is therefore important to conclude that offering training strategy to WEF clients helps to increase the growth of SMEs. The study recommends the provision of frequent training services to all WEF clients in order to equip them with a variety of business skills. The knowledge and skills will assist loan beneficiaries to manage their businesses effectively and therefore promote savings, profit making and ensure overall business growth. The researcher suggests other studies to be undertaken on the influence of training strategy on growth of women operated SMEs by focusing on Financial Intermediary Scheme of WEF in Kenya.

ETHICAL APPROVAL

The researcher endeavored to maintain ethics while carrying out this research. The researcher sought ethics approval from MKU Ethical Research Committee and NACOSTI. The researcher did not provide details of the informants. The participants were therefore assured of their anonymity.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

REFERENCES

1. Hassan IB, Mugambi F. Determinants of growth for women owned and operated micro enterprises: The case of Garissa County. *International Journal of Business and Commerce*. 2013;2(7):45-55.
2. Capital market authority. Capital raising opportunities for SMEs. The development of micro-cap securities markets in Kenya. Nairobi: Capital Market Authority; 2010.
3. Katua NT. The role of SMEs in employment creation and economic growth in selected countries. *International Journal of Education and Research*. 2014;2(12).
4. Bayati A, Taghavi A. The impact of acquiring ISO 9000 certification on the performance of SMEs in Tehran, the TQM, Magazine. 2007;19(2):140-149.
5. Malhotra S. How small businesses are driving growth across African Agriculture. AGGRA Report; 2019.
6. Otegunrin S, Momoh Idris, Ayinde A. How far has Africa gone in achieving the Zero Hunger Target? Evidence from Nigeria”. *Global Food Security (Elsevier)*. 2019;22: 1-12.
Available: <https://doi.org/10.1016/j.gfs.2019.08.001>
7. Bharat P, Lee I, Chaudhury. Global perspectives on small and medium enterprises and strategic information systems: International Approaches; 2010.
8. Buchanan L. American entrepreneurship is actually vanishing. Issue of INC magazine; 2015.
9. Liu D. the relation estimate of regional economic development and growth of small businesses. *Quantitative and Technical Economics*. 2004;5:24.
10. Sigh RK, Garg SK, Deshmukh SG. The competitiveness of SMEs in a globalized economy: Observations from China and India. *Journal of Management Research Review*. 2009;33(1).
11. Canbin H. Poverty alleviation through community participation, China; 2013.
12. Yulanda W. Poverty reduction of rural women in China — General Situation and Expectation; 2014
13. Nyamboga OT, Bichanga WO, Odhuno E. Evaluation of government micro crediting strategy on the growth of small and micro enterprises: Case of women enterprise fund in Kenya, *Case Studies Journal*. 2017;6(12):16-28.
14. World Bank. The effect of women's economic power in Latin America and the Caribbean. 2012.
15. Cant MC, Wiid JA. Establishing the challenges affecting South Africa SMEs. *International Business & Economics Research Journal*. 2013;12(6).
16. Fatoki O, Gware D. Obstacles to the growth of new SMEs in South Africa. A Principal Component Analysis Approach; 2010.
17. Robert J. Small Business Failure Rates As High As 63% in the First Two Years; 2010.
Available: www.businesslive.co.za

18. Kongolo M. Job creation versus job shedding and the roles SMEs economic development; 2010.
Available: www.academicjournal.org
19. Ladzani MW, Vuuren JV. Entrepreneurship training for emerging SMEs in South Africa. *Journal of Management*. 2002;40(2):154-161.
20. Yussuf-Habib M, Ibrahim Y. Nigerian SME development and the unified economic promises of the new political era (1999-2015). *Global Journal of Human Social Science*. 2017;7(5).
21. Alese OJ. Strategic management and the development of small and medium enterprises in south-west, Nigeria. PhD thesis of Obabisi Onabanjouniversity, Ogun State, Nigeria; 2017.
22. Katua NT. The role of SMEs in employment creation and economic growth in selected countries. *International Journal of Education and Research*. 2014;2(12).
23. Kangethe K. Continuous training in technical skills necessary for SMEs Growth. *Capital Business*; 2016.
24. WEF Report.
Available: www.wef.coke
(Accessed on 20th June, 2015)
25. WEF Report.
Available: www.wef.ke
(Accessed on 1st April 2019)
26. Kemunto MR. Factors influencing growth of women owned small and medium enterprises in Nyaribari Chache Subcounty. MA Project Report; 2017.
27. Garry B. Human capital: A theoretical and empirical analysis with special references to education. *Investment in Human Earnings Effects on Earnings*; 1975.
28. Cooper AC. Strategic management: New ventures and small business. *Long Range Planning*. 1981;14(5):39-46.
29. Anderson A, Miller C. Class matters: Human and social capital in the capital in the Entrepreneurial Process; 2003.
30. OECD. Enhancing the contributions of SMEs in a global and digitalized economy. Meeting of the OECD council at ministerial level; 2017.
31. Olowale F, Garwe D. Obstacles to growth of new SMEs in South Africa: A case of principal component analysis approach: *Africa Journal of BRITISH Management*. 2010;4(5):729-738.
32. Kedogo BK. Factors influencing the growth and development of small and medium enterprises in Kenya: A case of Huruma Division, Nairobi County. M.A. Published Research Project; 2013.
33. Njoroge CW, Gathungu JM. Effect of entrepreneurial education and training on development of SMEs. *International Journal of Medium Size Enterprises*. 2013;1(8).
34. Kessy S, Temu SS. The impact of training on performance of micro and small enterprises served by microfinance institutions in Tanzania. *Research Journal of Business Management*; 2010.
35. Muteru B. The effect of microfinance institutions on growth of women owned enterprises: A case study of Kenya Women Finance Trust in Kikuyu Township. *International Journal of Social Sciences and Entrepreneurship*. 2013;1(5):351-371.
36. Mwarari MM. Factors influencing listing of Kenyan SMEs in the Securities. National-Ordination Agency for Population Development; 2013.
37. Ibru C. Growing microfinance through new technologies. Federal University of Technology, Akure, Nigeria; 2009.
38. IFAD. Enabling Poor Rural People to Overcome Poverty in Kenya; 2009.
Available: <http://www.ifad.org/operations/projects/regions/pf/factsheets/kenya.pdf>
39. Weerakkody W, Ediriweera AN. Impact of training and development on business performance with reference to SMEs in Gamphara District. *International Journal of Business and Management*. University of Sri Jayewardhanapura; 2010.
40. Foth J, Bryson A. The impact of microfinance practices on SME performance. *Discussion Paper Series*; 2018.
41. Scott G, Leritz LE, Mumford MD. The effectiveness of creativity training. *A Quantitative Review .Creativity Research Journal*. 2009;16(4).
42. Kotey B, Folker C. Employee training in SMEs: Effect of size and firm type- family and nonfamily. *Journal of Small Business Management*, 2007;45(2).
43. OECD. Enhancing the contributions of SMEs in a global and digitalized economy. Meeting of the OECD council at ministerial level; 2017.
44. Elnaga E, Imran A. Effect of Training on Employee Performance. *European Journal of Business and Management*, 2013; 5(4).
45. Yayha AZ, Othman MC, Shamsuri AL. The impact of training on SMEs performance.

- Journal of Professional Management. 2012;2(1).
46. OECD. Enhancing the contributions of SMEs in a globalised and digitalized economy. Meeting of the Council Of Ministers, Paris; 2017.
 47. Samwel JO. Impact of employee training on organizational performance: Case study of drilling companies in Geita, Shinyanga & Mara Regions of Tanzania. International Journal of Management Studies and Research. 2018;6(1).
 48. Sarwoko EA, Frisdiantara C. Growth determinants of SMEs. Universal Journal of Management. 2016;4(1):36-41
 49. Ajuna S, Ntale T, Ngui T. Impact of training on the performance of women enterprises in Kenya, case of Meru County. International Journal of Leadership and Entrepreneurship. 2018;2(2):93-112.
 50. Natul K. The relationship between levels of education of entrepreneurs and their business success. 2011;25(4):265-275.
 51. Rodriques A, Molina MA, Perez A. Size, age and activity sectors on the growth and medium firm size. Journal of Small Business Economics. 2003;29:289-307.
 52. Eshetu B, Zeleke W. Women entrepreneurship in micro, small and medium enterprises. The case of Ethiopia. Journal of International Women's Studies. 2008;10(2):3-5.
 53. ILO. Vulnerability and young women entrepreneurs: A case study of Ethiopia informal sector economy. Geneva: International Labor Organization; 2006.
 54. UNECE. Feeding Africa: towards agro-allied industrialization for inclusive growth. African Economic Conference; 2016.
 55. Fjose S, Gruntfeld L, Green C. SMEs and growth in Sub Saharan Africa: Identifying SMEs roles and obstacles to SMEs growth. Menon Publication; 2010. 14/2010. MENON
 56. Ewoh E. Female entrepreneurs' performance: A systematic literature forces influencing the performance of Africa female entrepreneurs. Jyvaskyla University; 2014.
 57. KIPPRA. Kenya economic report: Building a globally competitive economy. Kenya Institute of Public Policy and Research Analysis, Nairobi, Kenya; 2009.
 58. IFC. Gender entrepreneurship markets, GEM country brief. Afghanistan: GEM. International Journal of Business and Social Science. 2007;1(2).
 59. Roomi MA, Parrot G. Barriers to development and progression of women entrepreneurs in Pakistan. The Journal of Entrepreneurship. 2008;17(1):59-72.
 60. Porter EG, Nagarajan KV. Successful women entrepreneurs as pioneers: Results from a study conducted in Karaikudi, Tamil Nadu, India. Journal of Small Business and Entrepreneurship. 2005;18(1):39-52.
 61. Kothari C. Research methodology: Methods and techniques. 3rd edition; New Age International Publishers, New Delhi, India; 2014.
 62. Kumar R. Research methodology: A step by step guide for beginners (4th Ed), Sage Publication Ltd., London; 2014
 63. Yamane T. Statistics, an introductory analysis. 2nd Ed., New York: Harper and Row; 1967.
 64. Gupta S. Statistical methods. Sultan Chand & Sons Publishers, New Delhi; 2008.
 65. Mugenda OM, Mugenda AG. Research methods: Quantitative and qualitative approaches. Act Press, Nairobi; 2012.
 66. Sekaran U, Bougie R. Research methods for business: A skill building approach. West Sussex, UK: John Wiley & Sons Ltd; 2010.
 67. Cooper DR, Schindler PS. Business research methods. 8th edition, MacGraw-Hill Irwin, Boston; 2003.

© 2019 Nyamboga et al.; This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Peer-review history:
The peer review history for this paper can be accessed here:
<https://sdiarticle4.com/review-history/52749>