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POLICY ENVIRONMENT AND GROWTH OF (WO)-MEN OWNED MSEs IN KENYA

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ABSTRACT

There is a growing discourse about a powerful untapped economic force in Kenya, the (wo)-men. The debate has triggered political pronouncements and the formulation of female-specific empowerment policies through entrepreneurship, which was the basis of this study. The study analyzed the influence of resource support on their MSEs' growth. The study design was a Cross-sectional Survey, anchored on Resource-based Theory. It based on a Positivist Paradigm and applied a Quantitative Multi-method approach. Using multi-stage sampling, 375 adult female entrepreneurs participated in the study. Data was analyzed through inferential methods; correlation coefficient and coefficient of determination. The results revealed there being strong relationship. For example, first step results showed significant indirect relationship of entrepreneur's traits on growth through resource support, $b = .0199$, BCa CI (.0110, .0304) and R^2 (R-sq med .1391). Also, considering the Preacher and Kelley Kappa-squared, $k^2 = .1755$, 95% BCa CI (.1130, .2341), there is a significant indirect relationship between entrepreneur's traits and performance through resource support, meaning that there are other mediators other than entrepreneurs' profile. This was further supported by the normal theory tests for indirect effect where $b = .0199$, $z = 4.4065$ and $p < .001$.

Keywords: Venture Growth, Resource Support Programs, (Wo)Men-Owned Mse Growth, Cross-Sectional Survey.

INTRODUCTION

Entrepreneurship plays an important role in development, innovation, and creation of job opportunities. Within this context, (wo)-men entrepreneurs play an important role in our societies (Nuogera, 2012 25). They create firms and consequently engineer economic growth (Acs *et. al.*, 2011). This impact has attracted social, political, and academic interests. Governments have developed policies to promote it as a means for inclusiveness and the pathway to decent work. Exclusion has been caused by informal norms and values impeding business creation among marginalized groups, such as women and youth populations (ILO 2021).

Often, differences in access to the entrepreneurship ecosystem are implicit and promoting an inclusive ecosystem that works for all entrepreneurs, therefore, requires a clear understanding of the target groups like wo-men and sensitivity to structural and taken-for-granted dynamics in how the target group experiences the extant entrepreneurship ecosystem (ILO 2021). Despite its importance articulated above, however, women targeted entrepreneurship policy has attracted less research than Entrepreneurship policy in general.

Schwartz's (1976) '*The New Frontier*' was amongst the earliest published works on females' entrepreneurship. It examined characteristics, motivation, attitudes and barriers of female entrepreneurs. Several other studies followed, mainly focusing on personal characteristics that form the human capital (Dzis, 2008 1). This study therefore sortied into the entrepreneurial environment and investigated if the inclusive entrepreneurship ecosystem policy environment has facilitated growth of (wo)-men entrepreneurs' firms or not. It tested a null hypothesis: **H01**; *There is no significant mediating relationship of government's resource support between entrepreneurial motives and women-owned MSEs growth.*

METHODS

This study was carried out in Bungoma and Trans Nzoia Counties of Kenya. These two counties are well endowed with natural resources provide that opportunities to entrepreneurs to make money. In Bungoma for example, there are Mt. Elgon, Hills, Forests, Rivers Nzoia and Malakisi among others, Hot Springs, and Historical sites at Chetambe Fort Ruins and Lumboka War Memorial site. Tourist attractions are found in Mt. Elgon National Park, Mt. Elgon Forest reserve, and the Chepkitale forest, Nabuyole and Malakisi falls, Sang'alo, Musikoma, and Kabuchai hills, caves at Kitum, Mackingeny, Ngwarisha, Chepnyali, and Kiptoro.

Trans Nzoia County also has such important topographic features as the Mount Elgon that is the second tallest mountain in Kenya and the Cherangany Hills, both of which are important water towers of the Country. It is Kenya's food basket due to its large-scale maize production (Trans Nzoia County 2013:5). Bwisa and Ongach (2013) however, observe that women-owned MSEs in Trans Nzoia do not achieve optimum growth. Gender inequality as a challenge to the development of MSEs is also highlighted in session paper number 2 (2005) and the 8th NDP (2007) Vision 2030 (ROK, 2005, 2007). These challenges motivated this research evaluate if the policy environment has influenced (wo)-men owned firms' growth to alleviate the poverty problem.

The study employed a Survey Design because it is a fast and inexpensive way to collect information about a sample's attitudes, beliefs, and self-reported behaviors (Saunders *et al.*, 2009 144). It allowed the researcher to collect quantitative data for analysis using descriptive and inferential statistics. It allowed the researcher more control over the research process and, through sampling, it was possible to generate representative findings at a lower cost than a census would have required (Saunders *et al.*, 2009 144).

The research targeted women entrepreneurs who had accessed the government entrepreneurial development assistance in Bungoma and Trans Nzoia Counties. The female entrepreneurs' population consisted of (wo)-men owned MSMEs that had been operating in the last four years. This study employed multistage sampling. Simple random sampling was used to acquire the female MSME group leaders to be studied so as to minimize bias (Saunders *et al.*, 2009 214). Snowballing through group leaders was then applied to access more difficult-to-identify hence less studied home-based women-owned MSEs. Derived from Cochran (1963 75 in Israel 2009 1) sample determination table, 394 respondents participated in this study as respondents.

Multiple regression was used where one dependent variable was presumed to be a function of two or more independent variables, the objective being to make a prediction about the dependent variable based on its covariance with all the concerned independent variables (Kothari, 2004 130). Inferential techniques were useful for testing hypotheses in order to determine with what validity data can be said to indicate the conclusions. They were also used to estimate the population values (Kothari, 2004 130). In scientific researches, it is mainly on the basis of inferential analysis that the task of interpretation (i.e., the task of drawing inferences and conclusions) is performed.

The SPSS software was useful for analyzing large data (Dzis, 2008 39) in this study. It was used to reduce the data into manageable size through factor analysis to identify the structure underlying them. Reliability testing was conducted for each of the extracted factors to ascertain the degree to which the items making up the scale agreed, thus find out whether all the variables collated on one factor have internal consistency and measure the same underlying constructs (Brace *et al.*, 2003; Bryman & Cramer, 2004; Hair *et al.*, 2006; Pallant, 2005 in Dzis, 2008 46).

RESULTS

Hypothesis (H0); *There is no significant mediating relationship between entrepreneurs' traits and the women-owned MSEs' growth through government's resource support efforts.* The first step results showed significant indirect relationship of entrepreneur's traits on growth through resource support, $b = .0199$, *BCa CI* (.0110, .0304) and R^2 (R-sq med .1391). Also, considering the Preacher and Kelley Kappa-squared, $k^2 = .1755$, 95% *BCa CI* (.1130, .2341), there is a significant indirect relationship between entrepreneur's traits and performance through resource support, meaning that there are other mediators other than entrepreneurs' profile. This was further supported by the normal theory tests for indirect effect where $b = .0199$, $z = 4.4065$ and $p < .001$.

DISCUSSION

The results of this study confirmed the Resource based theorists' assertion that human capital contributes to one's entrepreneurial activity (Becker, 1964; Carter *et al.*, 1997; Ronstadt, 1988). They also support those by Shane *et al.*, (2012 1) that the pursuit of entrepreneurial opportunity depends on the motivation of people to "take the risks". Aldrich and Zimmer (1986, in Shane *et al.*, 2012: 1) also posited that entrepreneurial activity is conceptualized as a function of

opportunity structures and motivated entrepreneurs with access to the required resources. The hypothesis was anchored on resource-based perspective. Earlier research has proved the importance financial capital to the creation and growth of entrepreneurial ventures. Resource endowment differentiates levels of entrepreneurial activity among (wo)-men (Bandura, 1977; Becker 1964; Brush *et al.*, 2006; Carter, Van Auken & Harms, 1992). The study therefore rejected the null hypothesis and concluded that government resource support for women entrepreneurs influence the relationship between their entrepreneurial motives and their MSEs' growth.

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