

Drivers of Entrepreneurial Impetus on Growth of Small and Medium Enterprises in Machakos County, Kenya

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Abstract:

Background: SMEs are usually essential drivers of economic empowerment in Kenya. They improve how commodities and services are produced, employment generation, equality in different regions, and the exportation of goods and services. Despite the government efforts to maintain sustainable development of the SMEs in the County, growth challenges such as poor infrastructure, lack of market, low capital to start a business, and black markets are still being experienced. Strategic decisions are not clear on how they interact with entrepreneurial impetus, the existence of resources, and the infrastructure administration installed by the enterprises to bring competition and product view of the gaps and unresolved issues shown in the cases; the study aims to ascertain the impact of entrepreneurial urge on the expansion of small businesses around Machakos County.

Materials and Methods: The study uses a descriptive research design with 5,311 chairpersons of SMEs operating in Machakos County as its target population. A sample of 379 chairpersons of the SMEs was selected as obtained from Machakos County, Trade and Licensing Department (2018) using a randomly stratified model technique. Data collection was conducted through questionnaires, and later analysis will be done through descriptive statistics and inferential models to conclude. The research began with the pilot survey, which helped identify the questionnaire's suitability.

Results: The study discovered that entrepreneurial competencies, innovativeness, situational attributes, and entrepreneurs' traits were all individually significant to SMEs. Overall, the study thus demonstrated a positive relationship between drivers of entrepreneurial impetus and SMEs growth. According to this study, since they have a 55% on SMEs growth, variables linked to entrepreneurial zeal should be strengthened in SMEs by integrating them into the vision and mission statements.

Key Word: Entrepreneurial Impetus; Personal Traits; entrepreneurial competencies; Innovativeness; Situational attributes.

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I. Introduction

In accordance with Stoke and Wilson (2016), an entrepreneur entails initiating a firm and its expansion. Entrepreneurs are significant drivers in growing the economy, regional integration, innovation, jobs creation. SMEs carry the back born of employment worldwide. Some of the significant roles of business personnel; are national economic growth, rising income generation, and contribution to eradicating poverty in the country, enhancing independence, and creating self-employment among the citizens. Thus, enterprises' role in certain economies is clear for all to acknowledge (Balogun, Bustamam& Johari, 2016).

Small and medium-sized businesses are frequently cited as key drivers of global economic growth. Due to their diverse contributions to the economy, SMEs are seen as important for socioeconomic development and competitiveness. The industry is a key source of inventions, generates a sizable amount of cash and employment, and offers chances for developing and using relevant technologies (Ngugi et al., 2013). Additionally, SMEs are essential for entering new markets and promoting an economy's expansion (UNDP, 2015).

The SMEs area that is vibrant and stronger lays a strong foundation for raising the ng standards and poverty elimination. Despite recognizing the significance of SMEs worldwide, more challenges are still being experienced. Mostly in developing and transiting countries. The challenges of new business entry, expansion, and survival are often consequential.

A review of different studies done by scholars globally and regionally confirms that characteristics continually demonstrated by entrepreneurs are unique (Zhao et al., 2012). No models can predict entrepreneurial tendencies using situational attributes, innovativeness, entrepreneurial competencies, and personal that directly

link to SMEs growth in Machakos county. In previous studies, attributes of entrepreneurs have been examined from two perspectives, influence and personality.

Researchers' various regional studies, such as the survey conducted by Adenuga and Ayodele (2012), deployed conceptual design on personnel attributes in determining entrepreneurs' characters. Drivers of entrepreneurial impetus among them personal attributes, innovativeness, and competencies, have been determined as the crucial determinant for business growth and, consequently, high net income. It is associated with high business development (Brown, Davidson & Wiklund, 2008) and high achievements (Mahmood & Hanafi, 2013). More usage in innovation and risky activities are taken and establishing a factor to establishing businesses. (Frank, Kessler & Fink, 2010).

SMEs are essential in national growth in stimulating economic roles and alleviating the lack of employment and poverty levels. Locally, Kenya Vision 2030, the national strategic blueprint for expansion and development, defines the importance of SMEs in the mic economies. Competitive competition is mandatory if the country will lead in the delivery of goods and services, stiff competition, fostering innovativeness, creating more jobs, and poverty reduction (KNBS, 2016, KAM, 2015).

Statement of the Problem

In Kenya, specifically in Machakos county, the SME fields hold an essential role in economic development and poverty alleviation, capital creation, providing goods and services, enhancing innovation, job creation, and creating independence. Studies done in Kenya reveal that four hundred of SMEs do not succeed yearly and do not reach their initial stages (Ngugi, 2013). According to Bowen et al. (2009), 2,200,000 SMEs globally were shut down in the year 2011 to 2016 because of the daily activities relating to operations problems relating to the expenses incurred, monetary challenges, managerial, also limited innovativeness. In Kenya, scholars argue that, like most developing, the survival margins lie between 10-20% (Ruhui, Ngugi & Waititu, 2014).

The studies that have been conducted by various scholars have not concentrated on the drivers of entrepreneurial impetus on the growth of SMEs. For instance, Koech and Namusonge's (2015) case study relates to elements that influence the growth and development of business in Machakos, which is the capital city of Kenya. He focused on the personal qualities, motivations, and aims of the individual, networks, orientation of the firm, and management models. Conceptualized gap zeroed on the qualities of an individual, motivational, aims in developing business networks, orientation in the business, and performance. In contrast, the current study will relate to innovation, situational, innovativeness, and entrepreneurial competencies.

Ngugi, Gakure, and Kahiri (2013) determined the relationship between intellectualized capital and the growth of young people SMEs among Kenyan citizens. The emerged variables included management skills, entrepreneurship skills, innovation, and structures and customer resources. Experimental and descriptive research models are deployed in the study. In this study, methodology gaps such as exploratory and descriptive models were deployed. In this current proposal, a descriptive design will be used. According to Fatoki, (2014) The necessity to test it in the setting of Machakos, Kenya, stems from the fact that effective use of innovation, taking risks, and being proactive is amplified to a large component of the success and growth of SMEs. In Malaysian SMEs, Shehnaz and Ramayah (2014) assessed the effect of business competencies on firm success. Asma et al (2015) focused on influencing the growth rate of SMEs in Algeria. The current study will seek to address the conceptual, contextual, and methodological gaps that are prevalent in the studies.

Despite the Government and Machakos county management efforts to create favorable conditions for these SMEs' growth and performance, the performance of SMEs is still wanting. In acknowledgment of the crucial role that SMEs play in the Kenyan dynamic economic environment, the central authority envisages Kenya Vision 2030 to anchor SMEs. Likewise, Machakos County has put in place drivers of entrepreneurial impetus to increase the growth of the SMEs. This research focused on the effects of drivers of entrepreneurial impetus in the County of Machakos.

II. Literature Review

The dynamic capability theory, which was used to support the expansion of SMEs in Machakos, Kenya, is the general theory on which the study will be based. Gizawi (2014) introduced the theory of dynamic capability. It states that theory can gain newer forms of flexible competitive advantage and is swift in engaging with vibrant economies. Its main aim is to enhance this development; the research argues that the resource-based view identifies the methods which enhance the firms to have an advantage over the rivals but doesn't indicate how it operates. The theory is applicable as the value of the dynamic capabilities theories depends on the reorganization of venture resources and specific skills within the business. Dynamic capabilities in ventures in Machakos County are significant. They display the importance of strategic Innovativeness in enhancing the integration and business repositioning of the enterprise's competitive advantage. The theory thus anchors this study and supports the entrepreneurial competencies variable as well as the growth of SMEs as it highlights performance competitiveness and raising returns.

Empirical Literature Review

Marivate (2014) in Tshwane, South Africa, conducted research on the results of enterprises' competencies on viability in the future of SMEs. This study hypothesizes that entrepreneurial competencies are important in implementing strategic decisions that are gateway to the long-term survival of SMEs. This is consistent with an empirical analysis of the variables influencing SME survival in South Africa conducted through a study done by (Worku 2013). The study concluded that the SMEs were viable and were adversely affected by limited or no entrepreneurial competencies. The findings from the survey were that SMEs that operated with business entrepreneurial skills and competencies had a relatively larger probability of survival in comparison to SMEs that operators ran with inadequate entrepreneurial competencies and skills. Management skills were necessary for the running of SMEs, and the viability of SMEs depends mainly on how the entrepreneurs run their businesses. Management skills required for the successful running of a corporation, including good planning and organizing skills, leadership skills, coordinating skills, and effective monitoring and control of the company, have a significant influence on SME's survival hence the need for this study.

Ndirangu's (2016) on the determinants of Innovativeness and performance in the Kenya youth focuses on young people-initiated ventures as they are significant in an economic stimulant fund developed by the government as a (YEDF). Multiple regression models were employed to examine qualitative data, whereas descriptive models were used to analyze numeric data. 7 individuals were interviewed, while 160 young business owners completed and answered the questionnaires and returned them. Business resources which are intangible, like corporate images and informational systems, are evident of Innovation in the ventures. The findings on the innovation capitals comprised businesses' intellectual property like patents, trademarks, and copyrights. In order for Innovation to be functional, some businessperson has to make an important mark like the improved product, process, and service compared with the previous achievements.

Maina, Marwa, Waiguchu, and Riro (2016) assessed situational factors, and the main objective was to investigate network dimensions' influence on Kenyan Manufacturing Small and Medium Enterprises (SMEs) performance. Networking dimensions were conceptualized under two variables. These two variables are network intensity and range. The study used descriptive design and targeted firms in the Kenyan manufacturing sector. Data were collected using self-administered questionnaires from a sample of 132 manufacturing SMEs operating in Kenya registered by the Kenya Association of Manufacturers (KAM). Data were analyzed quantitatively using descriptive and inferential statistics using SPSS version 21. Two hypotheses regarding network dimensions were tested and, subsequently accepted. The leading theory that informs this study is the social capital theory. It was evident from the study that network intensity and range have a positive and significant relationship on firm performance.

Alfarsi (2021) study sought to examine the effect of entrepreneurial personal attributes (innovation, leadership, networking and risk-taking) on the survival of SMEs which were based in USA. The literature review highlighted the association between each of the entrepreneurial competencies and their effect on survival of SMEs across the globe. The study opted to deploy a descriptive research design. The outcome suggested that entrepreneurial competencies (innovation competency, leadership competency, networking competency and risk-taking competency) of the SME owners/managers (entrepreneurs) have a positive and significant effect on the survival of SMEs in USA. The study recommended SMEs ought to adopt innovation competency as a decoy to improve their survival and leadership competency which is the key aspect for both survival and performance. SMEs should also embrace networking competency as a way of gaining competitive advantage and widening customer base, adopting the calculated risk-taking strategies in their operations.

A similar study done by Mogeni (2016) on problems encountered on the growth of SMEs in the furniture sub-sector in Nakuru County revealed that firm characteristics like the adoption of technology by the business are critical to the company's performance. In addition, it also emerged that technical skills acquired from experience are crucial for firm's performance. However, the gap still remains that remains unresolved. The study examines how the interactive process of internal resources, including the entrepreneur's characteristics and the firm infrastructure, influences the business growth of furniture manufacturing SMEs in Kenya by using Machakos County.

III. Methodology

Descriptive research design and inferential models will be used in the current study. The research technique involves observation which is the direct observation of the behavioral occurrences of the surrounding empirical models will be deployed to determine the relation and statistical importance of the explained and explanatory variables. The model Multiple linear regression and inferential models were used in the study to analyze and establish the impact among the variables of drivers of entrepreneurial impetus in SMEs growth in Machakos county.

The analysis below relates to the independent and dependent variables in the current research being captured in multiple linear regression. The independent variables of this study will relate to the SMEs in Machakos county

growth. This study will deploy linear regression and inferential model to find the relations among the elements. Below is the overall equation that will be employed in the analysis:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where

Y =Performance

X1 = Entrepreneurial Innovativeness

X2 = Entrepreneurial Competencies

X3 = Entrepreneur's Situational Attributes

X4= Entrepreneur's Attributes

β_0 = the regression coefficient is also known as constant,

$\beta_1, \beta_2, \beta_3$ and β_4 =equation slopes

ϵ = an error term deemed to be distributed around means of 0 and, for purposes of the regression, the assumption of being will be held

Sampling Technique

To determine the size of the sample, the researcher used the formula derived by Slovin. The formulae are deployed to quantify the sample size (n) in relation to the population (N) and margin of error (e). The current research selection of the sample will be from the entire population of 5311 chairpersons of the SMEs and a sample of 379 chairpersons of the SMEs will be engaged as obtained from Machakos County, Trade and Licensing Department (2018) using a stratified random sampling technique. Random sampling stratified accords equal chances for each unit to be selected within specific population strata. The strata in this current study will be various classifications, including Micro, Small, and Medium Enterprises. The reason for selecting the below formula was due to the weight put on the size of the items in the population.

$$n = N / (1 + Ne^2)$$

Where: n = number of samples, N = Total population, e = error margin taken to be 0.05

$$n = 5311 / (1 + 5311 * 0.05^2)$$

$$n = 379$$

The sample size required was 379 chairpersons of medium-sized and small enterprises (SMEs) as a representative of the population in the study, which is 30% of the target population. The study applied a technique of sampling that is stratified in which elements in each frame of sampling was chosen to be utilized in the research. The study made use of the simple random sampling that offered every unit in the population equal chances of inclusion in the sample.

Table 1:Sample Size

Department	Population targeted	Sample Size
Small and Micro Enterprises (less than 50 million turnover)	4139	295
Medium-sized enterprises (51-100 million)	1172	84
Total	5311	379

Source: Author (2022)

Response Rate

The inquiry targeted 379 SMEs and specifically the furniture sector in Machakos CBD. All chosen respondents received questionnaires for data collection, but the researcher received only 321 fully completed questionnaires. As presented in table 4.1, the response rate was 84.6%. As Mugenda and Mugenda (2013) asserted, a response rate of 50% and above is good, 60% is adequate, and 70% and above is excellent. Therefore, we had a very high response rate, and the study used 321 responses for further analysis. This response rate was considered high according to the threshold of above 50% recommended by Mugenda and Mugenda (2013) and for robust findings.

Table 2: Response Rate

Questionnaire	Frequency	Percent
Returned	321	84.6
Unreturned	58	15.4
Total	379	100.0

Source: Survey Data (2022)

IV. Result

Respondents were asked to check the items in this section that they most agreed with in terms of the many facets of what motivates entrepreneurs. On the scale, Strongly Agree (SA) = 5, Agree (A) = 4, Neutral (N)

= 3, Disagree (D) = 2, and Strongly Disagree (SD) = 1. Means and standard deviations were used to interpret the results; a mean of 1.0–1.4 indicated that respondents strongly disagreed, a mean of 1.5–2.4 indicated that respondents disagreed, a mean of 2.5–3.4 indicated that respondents were neutral, a mean of 3.5–4.4 indicated that respondents agreed, and a mean of 4.5–5.0 indicated that respondents strongly agreed. A standard deviation greater than two was interpreted as a high standard deviation, which meant that respondents had differing opinions, while a standard deviation was less than two indicated low variance and respondents had less varied opinions on the questions indicated in the research tool. The subsections below contain a presentation and discussion of the findings.

Entrepreneurial Competencies and SMEs Growth

From the findings, the respondents were in agreement that the business operates in a clearly defined business plan to enhance Growth (WA=4.02, SD=0.73); The products launched after conducting market research are successful in the market and increased Growth in the business. (WA=4.01, SD=0.66); and it is important to have a project plan that defines the goal and business growth (WA=3.78, SD=0.80). Regarding monitoring and evaluation are considered important for the business to succeed and grow, the researcher found them important with a higher than average overall mean score and lower standard deviation (M=3.64, SD=0.64). Having a team that is aligned with the business strategy is key to the success and Growth of the business with a higher-than-average overall mean score and lower standard deviation (M=3.62, SD=0.64). Conducting a performance review on the employees is important to ensure one maintains a team focused on achieving the firm's goals and Growth with above average overall mean score and lower standard deviation (M=3.86, SD=0.650).

From the findings, of entrepreneurial competencies, the overall weighted average was 3.82. This reflected that the respondents strongly agreed that entrepreneurial competencies affected the Growth of SMEs positively. The outcome derived from the study was in conformity with Marivate (2014), which hypothesizes that entrepreneurial competencies are important in implementing strategic decisions that are the gateway to the long-term survival of SMEs. This concurs with the empirical analysis of the factors which impact the survival of SMEs in South Africa through a study done by (Worku 2013). The study concluded that the SMEs were viable and were adversely affected by limited or no entrepreneurial competencies. The findings are also in tandem with outcomes from Mukulu et al. (2016) that entrepreneurial skills that were manifested in enterprises are important in deciding the level of innovation in those enterprises; also, limited skills existed because very little attention is given to training before funding.

Table 3: Entrepreneurial Competencies

Statements	SDA %	DA %	N %	A %	SA %	WA	SD
Does the business operate on a clearly defined business plan to enhance Growth	1.50	0.70	14.60	60.60	22.60	4.02	0.73
Our products launched after conducting market research been successful in the market and increased Growth in the business.	0.00	1.50	20.40	61.30	16.80	4.01	0.66
How important is it to have a project plan that defines the goal and business growth	1.50	3.60	25.50	54.00	15.30	3.78	0.80
Monitoring and evaluation are considered important for the business to succeed and grow	13.10	26.30	14.60	39.40	6.60	3.64	0.64
Having a team that is aligned with the business strategy is key to the success and Growth of the business	12.40	32.10	16.10	28.50	10.90	3.62	0.64
Conducting a performance review on the employees is important to ensure one maintains a team focused on achieving the firm's goals and Growth	15.30	32.10	13.90	28.50	10.50	3.86	0.65

Overall Mean Score = 3.82

N=137; KEY: SDA= Strongly Disagree; DA= Disagree; N=Neutral; A= Agree; SA=Strongly Agree; WA= Weighted Average; SD= Standard Deviation.

Innovativeness and Growth of SMEs

Regarding innovativeness, there was universal agreement that the introduction of new products and services resulted in an improvement in new branches and earnings (M=3.87, SD=0.76) and that the adoption of new payment methods like M-Pesa has led to an increase in profit margin (M=3.99, SD=0.72). The study also found that on the introduction of quality inputs and raw materials, respondents agreed that it has led to an increase in profits (M=4.04, SD=0.73) and that the introduction of new products and services resulted in profits increase (M=3.89, SD=0.75). The study also established that new production techniques have upgraded the quality of the product and raised profit margins (M=4.07, SD=0.71) and that customer service delivery improvements have led to an increase in profit margins (M=4.01, SD=0.70).

The study outcome conforms with Mukulu et al. (2016) on youth entrepreneurs concentrating on the creativity and innovativeness of the entrepreneur. The study is also in tandem with Ndirangu (2016), who stated that in order for the innovation to be functional, some businessperson has to make an important mark like the improved product, process, and service compared with the previous achievements.

The outcome confirmed assertions by Abdilahi, Hassan, and Muhumed (2017) that there exists a directed positive association between innovation-oriented SMEs and the Growth of businesses. The study results were also in line with the outcome of Wekesa (2015) that institutions that are technologically oriented in terms of innovation achieve greater business performance and especially in instances where technology varies rapidly since firms are capable of coming up with new processes, offerings, and services to satisfy

Table 4: Innovativeness and Growth of SMEs

Statements	SDA %	DA %	N %	A %	SA %	WA	SD
New branches and profits increased as a result of the launch of new goods and services.	2.90	0.00	18.20	65.00	13.90	3.87	0.76
Customers' adoption of new payment options like M-Pesa has increased the profit margin.	7.00	2.20	15.30	60.60	21.20	3.99	0.72
Profits have increased as a result of the addition of high-quality inputs and raw materials.	0.00	1.50	19.70	51.80	27.00	4.04	0.73
Increased sales of new goods and services have resulted in higher profitability.	0.70	1.50	25.50	52.60	19.70	3.89	0.75
New production methods have increased profit margins and enhanced product quality.	0.70	1.50	13.10	59.10	25.50	4.07	0.71
Customer service delivery Improvements have led to an increase in profit margins	0.00	2.20	16.80	58.40	22.60	4.01	0.70
Overall Mean Score = 3.98							
N=137; KEY: SDA= Strongly Disagree; DA= Disagree; N=Neutral; A= Agree; SA=Strongly Agree; WA= Weighted Average; SD= Standard Deviation.							

Situational Attributes and SMEs Growth

Regarding situational attributes, the study found that the respondents were in agreement that they have a good relationship with suppliers spurring Growth (M=3.92, SD=0.67) and their relationship with the community enhances Growth (M=3.89 SD=0.96). The results showed that my business had effective network systems with customers that support Growth (M=4.02, SD=0.79) and effective network systems with suppliers that support Growth (M=3.890, SD=0.71). The findings further established that the enterprises are highly loyal to the customers, enhancing Growth (M=4.00, SD=0.69) and that the enterprises pay the suppliers promptly, ensuring Growth (M=4.09, SD=0.69). The study analysis was in line with statements concluded by Ngugi, Gakure, and Kahiri (2013) that micro ventures are advantaged over others by accessing the buyers as the founders have the basic knowledge and have contracted the most likely customers. Their psychological connection should build them and lead to great developments in the conduct of the business.

Table 4: Situational Attributes and Growth of SMEs

Statements	SDA %	DA %	N %	A %	SA %	WA	SD
My positive relationships with suppliers encourage Growth.	1.50	0.70	15.30	69.30	13.10	3.92	0.67
Our relationship with the community enhances Growth	0.00	1.50	21.20	60.60	16.80	3.89	0.96
In my business, there are effective network systems with clients, fostering Growth.	0.70	1.50	21.20	47.40	29.20	4.02	0.79
I have good network systems with suppliers leading to Growth.	0.70	1.50	22.60	59.10	16.10	3.88	0.71
My business is very regal to its clients, which helps it flourish.	0.00	1.50	19.00	57.70	21.90	4.00	0.69
I pay my suppliers promptly, ensuring Growth	0.00	0.70	17.50	54.00	27.70	4.09	0.69

Overall Mean Score = 3.97

N=137; KEY: SDA= Strongly Disagree; DA= Disagree; N=Neutral; A= Agree; SA=Strongly Agree; WA= Weighted Average; SD= Standard Deviation.

Personal Attributes and growth of SMEs

On personal technology attributes, the study found that respondents agreed that having risk management controls in the business has helped the firm mitigate risk, thus enhancing growth (M=3.95, SD=0.58), and that taking time to make decisions that affect the firm's long-term performance has proved beneficial to the firm's growth (M=3.97, SD=0.664). Respondents were in agreement that to remain competitive in the business, an entrepreneur has to take advantage of a known supply and tap the unidentified demand (M=4.05, SD=0.741) and that as an entrepreneur, the ability to recognize opportunities in information where others see obstacles is significant in the growth of the enterprise (M=4.079, SD=0.69). The findings further showed that for a business to remain competitive, it is recommended to review the services and products to establish new products or services that respond to the consumer and dynamic market needs and increase in new branches (M=4.00, SD=0.804) and that products and business ideas developed out of the entrepreneur's instincts have contributed to the business's growth (M=4.09, SD=0.856).

Table 5: Personal Attributes and Growth of SMEs

Statements	SDA %	DA %	N %	A %	SA %	WA	SD
Having risk management controls in the business has helped the firm mitigate risk, thus enhancing growth	0.70	0.70	13.10	73.70	11.70	3.95	0.586
Taking time to make decisions that affect the firm's long-term performance has proved beneficial to the firm's growth	0.00	0.70	21.20	58.40	19.70	3.97	0.664
To remain competitive in the business, an entrepreneur has to take advantage of a known supply and tap the unidentified demand	0.00	0.70	22.60	47.40	29.20	4.05	0.741
As an entrepreneur, the ability to recognize opportunities in information where others see obstacles is significant in the growth of the enterprise	0.00	1.50	16.80	55.50	26.30	4.07	0.699
For a business to remain competitive, it is recommended to review the services and products to establish new products or services that respond to the consumer and dynamic	2.90	2.20	8.00	65.70	21.20	4.00	0.804

market needs and increase new branches

Products and business ideas developed out of the entrepreneur's instincts have contributed to the business's growth	2.20	2.90	10.20	52.60	32.10	4.09	0.856
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Overall Mean Score = 4.02

N=137; KEY: SDA= Strongly Disagree; DA= Disagree; N=Neutral; A= Agree; SA=Strongly Agree; WA= Weighted Average; SD= Standard Deviation.

Growth of SMEs in Machakos County

From the findings, the respondents were in agreement that increase in new Branches is affected by drivers of entrepreneurial impetus (M=4.400, SD=0.685); Increase in Profit Margins is affected by drivers of entrepreneurial impetus (M=4.260, SD=0.629); profit has increased assets in the firm (M=3.902, SD=1.345); profitability levels increased in business (M=3.990, SD=0.818); and the firm's drivers of entrepreneurial impetus led to increase in Sales turnover hence increase in profitability (M=4.01, SD=0.600); and the firms has recorded an increase in new branches (M=3.94, SD=0.662). The outcome indicated in table 4.7 conformed to those exhibited by Rauf (2012) study that to achieve superior growth, the entrepreneur ought to put into good use the scarce resources effectively and efficiently to achieve competitive advantage in a sustainable path. The study analysis did concur with Machuki et al., (2012) that accelerated growth calls for an entrepreneur to strategically outline better alternatives and make sure that selected strategies are effectively deployed, and for successful deployment, strategy ought to be appropriately institutionalized during its operationalization.

Table 6: Growth of SMEs in Machakos County

Statements	SDA %	DA %	N %	A %	SA %	WA	SD
Increase in new Branches is affected by drivers of entrepreneurial impetus	2.20	1.50	14.60	73.00	8.80	4.400	0.685
Increase in Profit Margins is affected by drivers of entrepreneurial impetus	0.00	1.50	17.50	65.00	16.10	4.260	0.629
Profitability levels increased in business	0.70	0.70	27.00	41.60	29.90	3.990	0.818
Drivers of entrepreneurial impetus led to increase in Sales turnover hence increase in profitability	0.00	0.70	15.30	66.40	17.40	4.010	0.600
The firm has recorded an increase in new branches	0.00	1.50	20.40	60.60	17.50	3.940	0.662

Overall Mean Score = 4.120

N=137; KEY: SDA= Strongly Disagree; DA= Disagree; N=Neutral; A= Agree; SA=Strongly Agree; WA= Weighted Average; SD= Standard Deviation.

Correlation Analysis

According to the results shown in table 4.8, the expansion of SMEs in Machakos county was strongly positively correlated with entrepreneurial competencies (r=0.693, N=321, p=0.000); this correlation was significant because the p value (0.000) was below the chosen level of significance (0.05). In Machakos county, it was discovered that innovation was strongly correlated with the expansion of SMEs (r=0.522, N=321, p=0.000); as the p-value was less than 0.05, the association between the two variables was significant. The results also demonstrate that the development of SMEs in Machakos county was strongly positively correlated with situational attributes (r=0.659, N=321, p=0.000); the correlation between the two variables was significant because the p-value (0.000) was below the predetermined level of significance (0.05). The results also revealed that personal characteristics were substantially associated with the expansion of SMEs in Machakos county (r=0.784, N=321, p=0.000); since the p-value was smaller than the chosen level of significance (0.05), the variables were thought to be significantly correlated.

These results thus imply that all independent factors included in this study have a connection to the expansion of SMEs in Machakos County. These results demonstrated a linear link between all the study variables. The outcomes showed that the data met the linearity requirement of the regression. The outcomes showed that the data met the linearity requirement of the regression. In support of linearity analysis, Ndirangu (2016) argued that this test is essential, especially when correlation and regression analysis were used to examine the relationship between the growth of SMEs and other drivers of entrepreneurial dynamism.

Table 7: Correlation Analysis

		G	EC	IG	SA	PA
G	Correlation	1				
	Sig. (2-tailed)					
	N	321				
EC	Correlation	.693**	1			
	Sig. (2-tailed)	.000				
	N	321	321			
IG	Correlation	.522**	.622**	1		
	Sig. (2-tailed)	.002	.000			
	N	321	321	321		
SA	Correlation	.659**	.609**	.632**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	321	321	321	321	
PA	Correlation	.784**	.668**	.722**	.694**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	321	321	321	321	321

Model Summary

How much of the variance in the dependent variable can be explained by changes in the independent variable is shown in a model summary. The results of the study on the influence of entrepreneurial inclination on the growth of SMEs are diverse, as can be seen in the table below.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.741 ^a	.55	.487	.74605

a. Predictors: (Constant), Entrepreneurial Competencies, Innovativeness, Situational Attributes, Personal Attributes

Based on the results, the modified R2 value was 0.55; this implies that 55% variation in growth of SMEs in Machakos County can be attributed to variances in, situational traits, entrepreneurial competencies, Innovativeness, situational attributes and personal traits. The remainder being 45% suggest that other than the discussed determine other variables can't can be attributed to changing in growth of SMEs in Machakos County. The outcome further reveals that the variables being assessed in this study are strongly linked as highlighted by a correlation coefficient value (R) of 0.741. The standard error of 0.746050 shows deviation from the line of best fit results.

Analysis of Variance

ANOVA was applied in this study to test the overall model significance. The model significance was tested at a level of 95% confidence interval and 5% level of significance. According to the results, the model's significance level was 0.000, indicating that it was significant because the p-value (0.000) was below the chosen level of significance (0.05). The ANOVA table also demonstrates that the F-calculated value (44.9426) exceeded the F-critical value (2.399), which was determined by using the f-distribution table. This subsequently implies that the model was significant, and that entrepreneurial skills, inventiveness, situational characteristics, and human traits were sufficient to forecast the expansion of SMEs in Machakos County.

Table 9: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.966	4	2.7415	44.9426	.000b
	Residual	7.439	123	.061		
	Total	18.405	127			

a. Dependent Variable: SMEs Growth

b. Predictors: (Constant), Entrepreneurial Competencies, Innovativeness, Situational Attributes, Personal Attributes:

Beta Coefficients of the Study Variable

From the beta coefficients found, the subsequent regression equation was fitted.;

$$Y = 2.8478 + 0.0341 X1 + 0.0365 X2 + 0.0636 X3 + 0.4934 X4 + \epsilon$$

Y= Growth of SMEs; X1= Entrepreneurial competencies; X2= Innovativeness; X3= Situational attributes; and X4= Entrepreneurs attributes

Table 10: Beta Coefficients of the Study Variable

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.8478	1.0705		2.660	0.017
Entrepreneurial Competencies	0.0341	0.0232	0.112	1.4706	0.044
Innovativeness	0.3605	0.1031	0.092	3.500	0.000
Situational Attributes	0.0636	0.02921	0.114	2.180	0.027
Entrepreneurs Attributes	0.4934	0.1136	0.186	4.3447	0.011

a. Dependent Variable: Performance

The findings of the study are supported by Chomba and Nyang’au (2019); Kim and Lee (2018) who found that entrepreneur’s personal characteristics were valid predictor of growth of SMEs in Italy. Kariuki and Mukulu (2016) found that entrepreneur’s attributes, entrepreneurs’ competencies and situational attributes predicted growth of SMEs in Kenya. The findings of the study contradict Maina, Marwa, Waiguchu, and Riro, (2016); Otieno (2016) who found that drivers of entrepreneurial impetus such as situational attributes and entrepreneurial competencies were non-significant in determining SMES growth.

From the evidence presented by the beta coefficient of the study variables and as supported by studies conducted by Miao (2015) and Bakar, Mahmood, and Ismail (2014), personal qualities of an entrepreneur occupy a signifying role in the business output. Business individuals use creativity and innovativeness to develop a strategy. Studies by Marivate (2014); Ngugi (2013) concluded that for a firm to survive, the entrepreneur must possess knowledge of managerial skills. Some organizational skills, such as leadership skills, are generic. The drivers of entrepreneurial impetus impact the growth of SMEs sector in Machakos Kenya.

V. Conclusion

According to the study, entrepreneurial skills statistically explain the expansion of SMEs in Machakos County. The research also revealed a significant link between entrepreneurial abilities and the growth of SMEs in Machakos County. The study concluded that raising entrepreneurial competencies by one unit promotes to the growth of SMEs in Machakos County based on the assessment's findings. The viability of SMEs is largely dependent on how the business is operated by the entrepreneurs, who have poor management abilities.

According to this study, innovativeness statistically significantly contributes to the expansion of SMEs in Machakos County. Furthermore, the study found a link between innovation and SMEs' expansion in the county of Machakos. The results of the study showed that SMEs in Machakos County grew more rapidly as innovativeness increased. The competitiveness of SMEs benefited from innovation. The study concluded that innovation is the concluded most significant element that can be employed to increase competitiveness.

According to the survey, situational factors statistically significantly contribute to the growth of SMEs in Machakos County. Additionally, it was determined that situational factors were positively related to the expansion of SMEs in Machakos County. According to the study, SMEs in Machakos County expand more rapidly when a unit increases situational qualities. The study demonstrated that network intensity and range have a favorable and significant impact on business growth. Business owners can use networks to find information, inspiration, or guidance. Network connections can support risk-taking entrepreneurs emotionally, increasing

their motivation to carry on with their firm. More crucially, small business owners can form joint R&D ventures, access research and development (R&D) that larger companies outsource, and other ties like those in marketing or manufacturing.

The study discovered that the characteristics of entrepreneurs are statistically crucial in explaining the expansion of SMEs in Machakos County. The research also revealed a positive link between entrepreneur traits and the growth of SMEs in Machakos County. Based on these data, the study implied that each additional entrepreneur-related characteristic lead to an increase in SME development in Machakos County. The study's findings indicate that SMEs should embrace innovation competency to improve their chances of Survival skills and leadership ability, which are essential for survival and performance. SMEs should use deliberate risk-taking techniques in their business practices and embrace networking skills to acquire a competitive edge and expand their client base.

VI. Recommendations

The development of SMEs is positively correlated with entrepreneurial competencies. According to the report, entrepreneurs should embrace networking to obtain a competitive edge and expand their consumer base as a result of marketing through the networks. Entrepreneurs can take advantage of or explore new business prospects by forming strategic alliances with other entrepreneurs, engaging in market transactions, and collaborating with other businesses to share resources. The company's management should always exercise caution and take reasonable actions that do not expose them to more volatility risks. Therefore, it is suggested that SME owners make an effort to acquire or improve their ECs through education, workshops, seminars, and focus groups.

Innovation and SME growth are favorably correlated. The outcomes will make it easier to create new concepts and goods and find fresh angles on issues and chances. To achieve higher performance, the management of SMEs in Kenya should encourage creative qualities, including technological know-how, teamwork, and motivation. The abilities necessary for their job descriptions in the companies will be provided to the employees. The management will use the findings to form efficient work teams and groups that will consider skill diversity and be able to constructively debate one another's ideas to support the expansion of SMEs. To enable employees to fully commit themselves to the activities of the firms, intrinsic and extrinsic motivation should be incorporated into the enterprises.

Situational attributes had a direct relationship with the growth of SMEs. Therefore, the study recommends that the management of these SMEs develop organizational culture that will position them in an excellent cultural and social network and allow access to information that can help their business triumph. The study also recommends that before any crucial decision affecting the company's future is made, advice should be sought from mentors.

The study found that increasing entrepreneurs' attributes enhance SMEs' growth. Therefore, the study recommends that SME management improve their attributes and ensure they take calculated risks; they are opportunity oriented, creative, and innovative. In many cases, entrepreneurs' features are recommended to predict the probability of a business's success, a business collapsing, and new venture creation.

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