

INFLUENCE OF CAPACITY BUILDING AS A COMPONENT OF WOMEN ENTERPRISE FUND PROGRAM ON GROWTH OF SMALL AND MEDIUM ENTERPRISES IN NAIVASHA SUB COUNTY, KENYA

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ABSTRACT: Women owned SMEs are important to the development process and would be beneficial for African countries to promote these SMEs by mainstreaming their needs into countries development programs for further growth. Special programs like WEF program can be initiated to further develop these women owned SMEs. This study investigated how capacity building as a component of Women Enterprise Fund program influenced growth of Small and Medium Enterprises in Naivasha Sub County. The study used a descriptive survey design. The study targeted the women entrepreneurs registered with WEF within Naivasha Sub County who were about 1160 and 10 key informants working at Naivasha WEF sub county office. A total of 348 Small and Medium Enterprises owners and 3 key informants working at WEF Naivasha sub county office were sampled through simple random sampling method. Data was collected using questionnaires and Interview schedules. Data collected was coded and analyzed using SPSS tool. Findings of the study were presented using descriptive and inferential statistics which involved use of frequency tables and figures. Each table was followed by brief explanations, inferences and interpretations of the findings from the earlier related reviewed literature with the aim of bridging the research gaps through seeking for the solutions of the study problem. The study found out that basic skills in entrepreneurship and business management affected growth of SMEs to a great extent as shown by a mean of 4.36 and standard deviation of 0.39. The study concluded that WEF program on capacity building had increased women's knowledge of good financial management and this had led to growth of their businesses. The study therefore recommends that WEF program should be improved so that it can benefit more women by starting or enhancing small scale businesses to provide self-employment.

Key Words: *Women Enterprise Fund program; Growth of SMEs; Small and Medium Enterprises; Capacity building*

I. INTRODUCTION

Capacity building refers to investment in people, institutions and practices that will together enable countries in the region to achieve their development objectives (World Bank 2002), it's a new build-up of capabilities (Kuhl, 2009). Capacity building is a concept that has different meanings for different people, but in general relates to enhancing or strengthening a person's or organization's capacity to achieve their goals. Kongolo (2010) argues that one of the best ways to maintain a flourishing and growing economy is "SME blooming and booming". In fact, SMEs play a vital part in the process of economic transition from agriculture-led economies to industrial ones by providing opportunities for processing activities. This leads to sustainable sources of revenues as well as enhancing development. SMEs also shore up production capability, which helps to absorb productive resources regardless of economic levels and contribute to the flexibility of economic systems. Small and large scale enterprises also become interlinked (Kuhl, 2009).

The objective of entrepreneurship capacity building is to inculcate entrepreneurial behaviour in individuals. They are planned interventions aimed at the development of the need for achievement (Kongolo, 2010). Emphasis on stimulating the need for achievement in entrepreneurship development is not shared by everybody. More input of knowledge and practical skills than behaviour modification is recommended. Businesses need cash; they equally need advisory services, business and networking opportunities, as well as human capital and marketing (Kongolo, 2010).

Capacity building is measured by the type and length of business training offered. The WEF program through MFI and MGCSD developed a training program whereby women entrepreneurs and their selected employees are trained on business management skills, financial management skills, linkages information and customer relations (WEF, 2014). This therefore empowers them to manage their own business environment without consulting much from their male counterparts.

Bonaglia&Fukasaku (2007) support this argument by stating that many policy makers have paid great attention to the strengthening of private sector development (PSD) as a strategic key to a national economic development strategy. In addition, it is widely acknowledged that small and medium-sized enterprises (SMEs) are playing a vital part in the mechanism of socio-economic development in many countries, especially the least-developed countries. In fact, it is the highest employment generator and provides a level of income to maintain the living conditions of the people in the country (Organisation for Economic Co-operation and Development-OECD, 2010b). According to Siu, Lin, Fang, & Liu (2006) SMEs are considered as a prolific job creator and the foundation of large scale businesses as well as the fuel of national economic engines. Organisation for Economic Co-operation and Development-OECD (2010) emphasizes that SMEs maintain a stable economic development momentum even when the countries are facing economically turbulent times.

Opportunities are created by the institutional or external environment for those entrepreneurs who could identify them to start or improve their businesses and subsequently, their welfare. Entrepreneurs' ability to identify and tap such opportunities differs between entrepreneurs. It also depends on their ability to access information and willingness to act upon the information in terms of risk; that is their attitude (Shane, 2005). Individual attributes affect discovery of entrepreneurial opportunity. It is made up of psychological and demographic factors such as motives, attitude to risk, education and training, career experience, age and social status.

Changes in business environment such as economic, financial, political, legal, and socio-cultural factors also affect discovery of opportunity. For example, income level of the entrepreneur, capital availability, political stability, laws concerning private enterprise and property rights, and desire for enhanced social status by the entrepreneur could affect discovery of entrepreneurial opportunity, business setting also affect opportunity discovery. Industrial sectors such as distribution, manufacturing, agriculture, catering, and business services are more attractive to entrepreneurs (Brana, 2008); Evaluation of the identified opportunity is another stage in the entrepreneurial process, and appropriate decision at this stage leads to the decision to exploit the opportunity (Carter & Shaw, 2006). The decision to exploit the opportunity depends on the intention of the entrepreneur, and the appropriate measure of entrepreneurial decision-making is intention which leads to recognition of entrepreneurial opportunities. Exploitation of the opportunity depends on the entrepreneur's level of education, skills or knowledge acquired through work experience, social networks, credit, and cost-benefit analysis of the business (Shane, 2005).

Promotion of women empowerment through capacity building has been viewed by many researchers as a key to combating poverty, hunger, disease, crisis and stimulating sustainable development and motivating women for involvement in economics development (Floro, 2001). Development of human capital among women is very important. Women have potentials to contribute creatively their skills and capabilities. Women skills and managerial styles often change the dynamics of their enterprise. However, this can only be possible when adequate time is given to ensure that women are well empowered through training, development, provision of resources and capacity building (Iheduru, 2002).

There is general agreement that an entrepreneurial career can be developed through entrepreneurial training. Themba et al (1999) posit that an entrepreneurial culture can be created through, among other things, practical oriented business courses and needs-specific training. They argue that education and training can "strengthen the need for achievement, alleviate fear of failure and enhance self-confidence". Olomi (1999) asserts that desired entrepreneurial success factors can be learned through properly designed entrepreneurship development programmes. He also points out that there is a general agreement that having entrepreneurship education is positively associated with becoming self-employed. In this regard, O'Riordan et al (1997) stress the importance of formal education and business education for micro and small enterprise operators. In the same vein, education and training as key enabling resources for the sustainability of micro and small enterprises (Kristiansen, 1999).

II. LITERATURE REVIEW

Entrepreneurial training helps the entrepreneur to acquire business knowledge such that an entrepreneur has thorough understanding of the general business functions and the specific areas under analysis (Martin, 2007). Forty percent of women entrepreneurs in a Canadian study reported they had not been trained on management of enterprises and neither did they have experiences in venture management. This lack of managerial skills/knowledge and experience in enterprise management correlated significantly with low profits (Belcourt, 2011). Many women want post-start-up support that is accessible after trying out the skills learned in earlier training (Kock, 2008).

East African Community Conference on the Role of Women in Socio-Economic Development held in 2011 noted that women were not actively participating in the growth-oriented areas of manufacturing and technological innovation. They therefore recommended that partner states, regional organizations and the private sector should mobilize resources for training and also invest in programs focused on enhancing the role

of women in these areas. Women-owned enterprises are going to grow, only if they become innovative and participate in high value enterprises, (EAC, 2011). Langowitz and Minniti (2007) found that women tend to perceive themselves and the entrepreneurial environment in a less favorable light than men. Programs aiming to improve perceptions of aspiring women entrepreneurs may lead to higher rates of business start-up.

In a study on the impact of the external support on over 5000 SMEs in the UK, the results indicated that, 19% of the SMEs had increased the workforce (number of employees gone up), 64% were employing the same number, while 17% had reduced the workforce, but in the end there was a net employee increase over the survey period from 2012 to 2013. Also 72% of the SMEs had an increase in their annual profit over the period under review. Out of the 532 SMEs surveyed, 45% had sought for external business support (Business Intelligence Survey, 2013). This finding was in line with the earlier study by Wren and Storey (2002) where there was a positive correlation between the external institutional support and SMEs growth in the UK especially those owned by women entrepreneurs. In determining the impact of external institutional support on the operations of SMEs in the area of access to external finance, growth, decision making, managerial training and capacity building. In all, there was a positive impact on the growth and development of the SMEs. Similarly, research by Shailer (1999) and Shanmugam (1998), shows the vital role played by external accountants in the SMEs sector, which confirms the rationale for an increase in demand for training of accountants for SMEs in the area of external support and this constitutes capacity building in business management.

The study on factors affecting growth of small and medium enterprises found that lack of management experience is also a major cause of small business failure (Olawale and Garwe, 2007) . The study indicates that owners tend to manage businesses themselves as a way of reducing operational costs. According to Gray (1997), SMEs use the traditional ways of marketing and these no longer give rise to high levels of revenue and product recognition. This factor has also been identified by Burns (1996) in his survey in UK and Nigeria. The survey results showed that 69% and 70% of the respondents in the UK and Nigeria respectively agree that poor marketing and sales efforts influence SMEs failure. This implies that the variable is significantly considered as a major factor influencing business failures in the SMEs sector. Gray (1997), further states that economically, it means that if one fails to market or advertise products then, turn over and sales volume will be low and that poor marketing and sales efforts are caused by wrong and untimely advertisements or none at all. Lack of information and market detection are other possible causes as well. (Burns ,1996) further states that marketing, which is a common source of economies of scale (EOS), spreading cost of advertising over a greater range of output in media markets, is still low and this impact on the growth of SMEs. Cambridge Small business Research Centre (1992), also identified marketing skills among other factors as affecting a firm"s growth progression. Furthermore, it appears that when compared to other functions of their business, SMEs owners have a problem with marketing; they appear to give marketing a low priority, often regarding marketing as "something that only larger firms do" (Tybee 2003).

A study by Kazooba (2006) revealed that poor record keeping and a lack of basic business management experience and skills were major contributors. Research has also identified inexperience in the field of business, particularly a lack of technical knowledge, plus inadequate managerial skills, lack of planning, and lack of market research (Kuvatko, 1998). These results indicated that lack of financing, lack of management experience, corruption and poor infrastructure are negatively correlated to small business performance. Uneducated women do not have the knowledge of measurement and basic accounting. Low-level risk taking attitude is another factor affecting women folk decision to get into business (Bovee, Thill and Mescon, 2007).

III. METHODOLOGY

This study adopted descriptive survey research design and its findings were used to generalise the influence of capacity building as a component of WEF program on growth of small and medium enterprises in Naivasha. Descriptive survey research designs are used in preliminary and exploratory studies to allow researchers to gather information, summarize, present and interpret for the purpose of clarification (Orodho, 2002). The purpose of descriptive survey research design is to observe, describe and document aspects of a situation as it naturally occurs (Polit and Beck, 2008). Descriptive research is appropriate because it involves observing and describing the behaviour of a subject without influencing it in any way (Martyn, 2008). It is used to test attitudes and opinions about events, individuals or procedure.

The population consisted of 1160 women registered SMEs in Naivasha town as at January, 2017 as the study population and 10 WEF officials working at Naivasha sub county office. The number of employees was used to categorise the firms as in (McCormick and Pedersen, 1996). The study therefore picked its population from registered SMEs with WEF office using stratified sampling method. Borg and Gall (1989) defines population as all the members of a real or hypothetical set of people, events or objects to which a researcher wishes to generalise the results of the study.

Out of the 1160 SMEs and 10 WEF officials working at Naivasha sub county office, the study sampled 348 registered SMEs with the WEF office in Naivasha as at January, 2017 and 3 WEF officials working at Naivasha sub county office. According to Mugenda and Mugenda (2003), an objectively selected sample of between 10-30% of the population is considered adequate for generalization of the findings. Following the high level of homogeneity among the target respondents especially as regards operations and challenges, the study used stratified random sampling technique to select 30% of the population. Sampling of individuals for a study was done in such a way that the individuals selected represent the larger population from which they were selected (Mugenda and Mugenda, 2003).

The sampling procedure used was simple random sampling. This is a sampling procedure in which the elements in the population are picked randomly (Kothari, 2004). A 30 percent random sample was selected. Every third element was picked randomly. The sample size was 348 SMEs owners and 3 WEF officials working in Naivasha WEF office.

Data was collected by use of questionnaires and interview schedules. The questionnaires have both structured and unstructured questions. According to Wiersman (1986), the most suitable research instrument for descriptive survey research design is a questionnaire. The unstructured questions were open ended while the structured questions were close ended questions constructed in a 5 point Likert scale and assigned numerical values to make quantitative analysis possible. The questionnaires are preferred for their suitability and ease of administration. The questionnaires are organised into four categories to capture data. The questionnaires addressed the questions on the influence of capacity building on SMEs. The research instruments also addressed the aspect of biasness and being one sided with the questions.

Patton (2014) argued that the advantages of using questionnaires are that information can be collected from a large sample; confidentiality is upheld, saves on time and has no opportunity for interview bias. It is suitable for data collection because it allows the researcher to reach a large sample within limited time and ensures confidentiality of the information given by the respondents. Confidentiality of information provided allayed the possibility of such information being used against them for selfish reasons.

The researcher obtained an introductory letter from the University to be used in the field during data collection. The letter was then used by the researcher to seek permission to carry out research and collect Data from the National Commission for Science, Technology and Innovation. The researcher personally visited the sampled areas to distribute the questionnaires with the help of two research assistants due to vastness of the area and the many number of the respondents. During the time of distributing the instrument, the researcher explained to the respondents the purpose of the study and ethical issues involved. The researcher also explained the items that posed challenge to the respondents and those areas that they did not understand. This helped the respondent's response to give an insight to their feelings, background, hidden motivation, interests and decisions and give as much information as possible without holding back (Mayring, 2007). The researcher also interviewed the WEF officials working in Naivasha WEF office.

After the collection of primary data from the field, it was edited and entered into statistical package for social sciences (SPSS). Coding was used to organize and reduce research data into manageable summaries. Collected data was analyzed using descriptive statistics, utilizing the frequency distribution; percentages, standard deviations and averages. According to Mugenda and Mugenda (2003), the purpose of descriptive statistics is to allow for meaningful description of a distribution of scores or measurements using a few indices or statistics. Statistical tally system was used to generate frequency counts from the responses so as to prepare frequency distributions. Descriptive statistics such as means, standard deviation, frequencies and percentages was used to describe the data. Percentages in the 5-point rating likert scale response out of the total study sample response per item was calculated. Averages were calculated in respective items. As a measure of central tendency, average was used to decide the concentration of responses within the 5-point likert rating scale range. The analysed data was presented in the form of tables and graphs where applicable. The interview guide was analysed and presented in a paragraphs. This was done based on the objectives and research questions. Each table or graph was followed by brief explanations, inferences and interpretations of the findings from the earlier related reviewed literature with the aim of bridging the research gaps through seeking for the solutions of the study problem. Regression was also done. (Orodho, 2005).

IV. RESULTS AND DISCUSSIONS

The study finding have been presented in frequency distribution tables, mean values, percentages and explanations of the findings in between the frequency tables for further elaboration as well as the interpretation of the study results which have been given alongside the findings.

Demographic Information of the Respondents

The study sought to determine the demographic characteristics of the respondents as they are considered as categorical variables which give some basic insight about the respondents. The characteristics

considered in the study were; range of ages of the respondents; gender; highest level of education attained by them; type of business owned and location of their business.

Distribution of Respondents by their Gender

The respondents were asked to indicate their gender; the results shown in table 4.1 indicated that all the respondents were females. This implies that women were the ones who were registered with WEF office at Naivasha and had benefitted from the WEF loans. The gender findings indicate that WEF was given to the women entrepreneurs as had been intended by the government during its initiation.

Table 4.1: Distribution by Gender of the Respondents

Gender	Frequency	Percent
Female	304	100
Male	0	0
Total	304	100

Distribution of Respondents by their Age Bracket

The respondents were further asked to indicate their ages with the aim of establishing the age bracket. The age factor was important since the government is trying to encourage the youth to promote entrepreneurship in developing the country. Table 4.1 shows the age distribution of the respondents.

Table 4.2: Age Bracket of the Respondents

Age (years)	Frequency	Percent
18-30	48	15.79
31-40	127	41.78
41-50	86	28.29
Above 50	43	14.14
Total	304	100

From the table 4.2 above, 127 (41.78%) of the respondents were between 31 - 40 years of age were the majority, those of the age between 41 - 29 years with 32 (26%), those between 41 - 50 years were 86 (28.29 %), those with ages 18-30 years were 48 (15.79 %), and those aged 50 years and above were 43 (14.14%). This implies that young women are more active in business and are likely to get women enterprise fund.

Distribution of Respondents by their Level of Education

The respondents were asked to indicate their academic background. Table 4.3 shows the study findings on the respondents' academic background.

Table 4.3: Highest Education Level of the Respondents

Education level	Frequency	Percent
Primary	35	11.51
Secondary	128	42.11
Diploma	98	32.24
Degree	43	14.14
Total	304	100

From the Table 4.3 above, 128 (42.11%) of the respondents had attained secondary education, 98 (32.24%) had a Diploma, 43 (14.14%) had attained a degree, and 35(11.51%) had reached primary. This shows that the SME's are being operated by personnel of higher qualifications.

Distribution of Respondents by their Type of Businesses

The respondents were asked to indicate the type of business they owned. Table 4.4 shows the study findings on the respondents' type of businesses.

Table 4.4: Type of Business the Respondent's Owned

Type of business	Frequency	Percent
Hardware	70	23.03
Electrical shop	42	13.82
Phone accessories and money agency	106	34.87
Grocery shop	86	28.29
Total	304	100

It can be seen from Table 4.4 that 106 (34.87%) of the respondents owned phone accessories and money agency business,86 (28.29%) owned grocery shops,70 (23.03%) owned hardware and42 (13.82%) owned electrical shops. This shows that women entrepreneurs were diversified in business.

Distribution of Respondents by their Location of Businesses

The respondents were asked to indicate the location of their businesses. Table 4.5 shows the study findings on the respondents’ businesses’ location.

Table 4.5: Location of the Respondent’s Business

Business Location	Frequency	Percent
Town centre	224	73.68
Naivasha rural area	27	8.88
Outskirt of Naivasha town	53	17.43
Total	304	100

According to the findings indicated in Table 4.4 above, majority 224 (73.68%) of the respondents indicated that their businesses were located at the town centre of Naivasha town, 53 (17.43%) indicated that their businesses were located at the outskirts of Naivasha town and 27 (8.88%) indicated that their businesses were located at Naivasha rural area. This implies that most of the businesses were located in town central business. This is because; the town centre harboured a big population and good money circulation thus a range of customers.

Distribution of Respondents by their Period of Operating their Businesses

The respondents were asked to indicate the period they had operated their businesses. Table 4.6 shows the study findings on the respondents’ period of business operation.

Table 4.6: Period the Respondents had been Operating their Businesses

Period of business operation	Frequency	Percent
Below 2 years	23	7.57
3-5 Years	190	62.50
6-10 Years	59	19.41
Over 10 Years	32	10.53
Total	304	100

It is seen from Table 4.6 that 190 (62.50%) of the respondents had operated their businesses for 3-5 years, 59 (19.41%) had operated their businesses for 6-10 years,32 (10.53%) had operated their businesses for over 10 years, and 23 (7.57%) had operated their businesses for less than 2 years. This shows that most women who had benefited from the women entrepreneur fund had operated their businesses for some years thus able to tell whether the WEF had influenced growth of their businesses or not.

Capacity Building on the Growth of Small and Medium Enterprises

Capacity building is a concept that has different meanings for different people, but in general, relates to enhancing or strengthening a person’s or organization’s capacity through trainings in order to achieve the overall organizational goals.

The study sought to find out the extent that women enterprise fund programs on capacity building affected growth of SMEs. The findings were presented in Table 4.7.

Table 4.7: Relationship Between Capacity Building and Growth of SMEs

Statements	Disagree		Agree		Mean	Std dev
	Freq	%	Freq	%		
Women groups’ training seminars/workshops	97	31.91	207	68.09	3.73	0.43
Managerial skills on how to run their businesses effectively	89	29.27	215	70.73	3.85	0.21
Basic skills in entrepreneurship and business management	41	13.48	263	86.52	4.36	0.39
Formation of the business networks for the SMEs	84	27.63	220	72.37	3.59	0.49
Total					15.53	1.52

From the findings indicated in Table 4.7 above, basic skills in entrepreneurship and business management affected growth of SMEs to a great extent as shown by a mean of 4.36 and standard deviation of 0.39. This shows that for SMEs to grow the entrepreneurs need entrepreneurship and management skills. Managerial skills on how to run their businesses effectively affected growth of SMEs to a great extent as shown by a mean of 3.85 and standard deviation of 0.21. This implies that managerial skills are important in business growth. Women groups' trainings seminars/workshops affected growth of SMEs to a great extent as shown by a mean of 3.73 and standard deviation of 0.43. This shows that training and workshops held by WEF helps in SMEs growth. Formation of the business networks for the SMEs affected growth of SMEs to a great extent as shown by a mean of 3.59 and standard deviation of 0.49. This implies that business networks help in SMEs growth. This is in line with Business Intelligence Survey (2013) which concluded that SMEs sought for external business support. This was also in line with King and McGrath (2002) research which showed that majority of those carrying out SMEs businesses in Kenya are not quite well equipped in terms of education and skills that can make them better managers of enterprises.

The respondents were asked to indicate their agreement level regarding the extent to which women enterprise fund program on capacity building enhanced growth of SMEs. Table 4.8 shows the respondents agreement level.

Table 4.8: Women Enterprise Fund Program on Capacity Building Enhanced Growth of SMEs

Statements	Disagree		Agree		Mean	Std dev
	Freq	%	Freq	%		
WEF program on capacity building has increased my knowledge of good financial management and this has led to growth of my business	15	4.86	289	95.1	4.26	0.41
WEF program on capacity building program has increased my knowledge on budgeting and this has led to growth of my business	96	31.51	208	68.5	3.74	0.18
WEF program on capacity building program has increased my knowledge of customer care and this has led to growth of my business	47	15.46	257	84.5	4.09	0.47
WEF capacity building program has increased my knowledge of human resource management and led to growth of my business	103	33.84	201	66.1	3.65	0.39
Total					15.7	1.45

It is seen from Table 4.8 that the respondents agreed that WEF program on capacity building had increased their knowledge of good financial management. This had led to growth of their businesses as shown by a mean of 4.26 and standard deviation of 0.41. The respondents also agreed that WEF program on capacity building program had increased their knowledge of customer care. This had led to growth of their businesses as shown by a mean of 4.09 and standard deviation of 0.47. In addition, the respondents agreed that WEF program on capacity building program had increased their knowledge on budgeting. This had led to growth of their businesses as shown by a mean of 3.74 and standard deviation of 0.18. This implies that capacity building affected growth of SMEs. This contradicted with King and McGrath (2002) who indicated that majority of those who ran SMEs were ordinary lot whose educational background was lacking and hence were less aware of what skills were needed to run businesses. They were not well equipped to carry out managerial routines for their enterprises and this led to many business failures.

Regression Analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS Version 21) to code, enter and compute the measurements of the multiple regressions.

Table 4.9: Multiple Regression Between Capacity Building and Growth (dependent variable) of SMEs

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.826	.682	.643	.1094

a. Predictors: (Constant), capacity building.

The data in Table 4.9 indicated that R-Square (coefficient of determination) is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted R² also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. 64.3% of the growth of Small and Medium Enterprises in Naivasha sub-county. Variables could be attributed to the combined effect of the predictor variables.

Table 4.10: ANOVA Results of the Regression Analysis between Growth of SMEs

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.223	5	2.112	3.971	.003
	Residual	87.926	343	.681		
	Total	98.149	348			

a. Predictors: capacity building.

b. Dependent Variable: growth of Small and Medium Enterprises in Naivasha Sub County.

The data in Table 4.10 indicated that the probability value of 0.001 indicates that the regression relationship was highly significant in predicting how WEF savings, capacity building, innovation support and sourcing for market influenced growth of Small and Medium Enterprises in Naivasha Sub County. The F critical at 5% level of significance was 3.971 since F calculated is greater than the F critical (value = 2.830), this shows that the overall model was significant.

Table 4.11: Regression Coefficient of the Relationship Between Growth of SMEs and Capacity Building

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1 (Constant)	1.01	0.422		4.307	0
WEF capacity building	0.602	0.085	0.689	0.615	0.003

a. Dependent Variable: growth of SMEs

As per the SPSS generated table above, the equation ($Y = \beta_0 + \beta_1 X_1 + \epsilon$) becomes:

$$Y = 1.010 + 0.602 X_1$$

The regression equation in Table 4.11 has established that taking all factors into account (capacity building) constant at zero growth of Small and Medium Enterprises will be 1.010. The findings presented also show that taking all other independent variables at zero, a unit increase in capacity building would lead to a 0.602 increase in the growth of Small and Medium Enterprises.

WEF capacity building calculated P-value was found to be 0.003 which is statistically significant since $P < 0.05$.

There is a positive correlation between the growth of Small and Medium Enterprises.

V. Discussion

Basic skills in entrepreneurship and business management affected growth of SMEs to a great extent as shown by a mean of 4.36 and standard deviation of 0.39. King and McGrath (2002) research which showed that majority of those carrying out SMEs businesses in Kenya are not quite well equipped in terms of education and skills that can make them better managers of enterprises. Managerial skills on how to run their businesses effectively affected growth of SMEs to a great extent as shown by a mean of 3.85 and standard deviation of 0.21. Business Intelligence Survey (2013) concluded that SMEs sought for external business support. The respondents agreed that WEF program on capacity building program had increased their knowledge on budgeting. King and McGrath (2002) who indicated that majority of those who ran SMEs were ordinary lot whose educational background was lacking and hence were less aware of what skills were needed to run businesses.

Capacity building always comes in the form of being trained on customer care, stock control, marketing techniques, book keeping among others. These were found to be lacking among many women entrepreneurs and it formed among others WEF objectives so that these women entrepreneurs could be well versed and equipped with better skills of doing business in the harsh environment and also compete favorably with their male counterparts.

VI. Conclusion

The study revealed that basic skills in entrepreneurship and business management, managerial skills on how to run their businesses effectively, women groups' trainings, seminars/workshops and formation of the business networks for the SMEs affected growth of SMEs to a great extent. WEF program on capacity building had increased their knowledge of good financial management and this had led to growth of their businesses. WEF program on capacity building program had increased their knowledge of customer care and this had led to growth of their businesses. WEF program on capacity building had increased their knowledge on budgeting and this had led to growth of their businesses.

Recommendation

The WEF program should be improved so that it can benefit more women by starting or enhancing small scale businesses to provide self-employment. Such improvements of the WEF program requirements include provision of better equipped workshops, adequate supplies of training materials and greater emphasis on practical business management for the women.

Limitations

The limitation of this study was that the respondents were apprehensive about answering the questions correctly and truthfully for fear that the information given might be used by a third party or for a different purpose other than for research purpose. This was overcome by the researcher assuring the respondents that the study was purely for academic purposes and all the information given here would not be divulged to any other third party and all the concern of ethical issues were observed. Another limitation was the language barrier as most of the business women only understood Kiswahili language and the questionnaires were in English language. The researcher had to engage an interpreter to translate the questions to Kiswahili language. Other limitation that the researcher encountered was the distances to travel to reach the SMEs owners since the area was so large. This, the researcher overcame by engaging research assistant and also hired some motorbikes for transport to reach all the SMEs owners targeted.

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