

**ENTREPRENEURIAL ORIENTATIONS, FINANCIAL CAPITAL ACCESS
AND BUSINESS PERFORMANCE OF SMALL AND MEDIUM
ENTERPRISES IN ELDORET TOWN, UASIN GISHU COUNTY, KENYA**

BY

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DECLARATION

Declaration by Candidate

I declare that this research is my original research thesis and has never been before submitted for any academic award. Being no part of this work may be replicated or transmitted without prior authorization from the author, go author, or Moi University.

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DEDICATION

I want to dedicate this research thesis to my family members, especially my wife, children, and friends, who nurtured in me the desire to work hard and have been my most incredible supporters. They have inspired me to pursue my education to the highest level. I appreciate all their efforts

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ABSTRACT

Despite the small and medium enterprise's contribution to the economy, their business performance has not been impressive. They are experiencing various difficulties in improving their financial performance, stagnating, and others failing within two years of starting. Therefore, the study's primary purpose was to establish the effect of entrepreneurial orientations, financial capital access, and business performance of small and medium enterprises in Eldoret town, Uasin Gishu County. The study's specific objectives were to examine the effect of innovativeness, risk-taking, pro-activeness, competitive aggressiveness, and autonomy on the business performance of small and medium enterprises. To determine the moderating effect of financial capital access on the relationship between innovativeness, risk-taking, pro-activeness, competitive aggressiveness, autonomy, and business performance of small and medium enterprises. The study has been guided by discovery theory, Schumpeter's innovation theory, and dynamic capabilities theory. The study has been carried out using an explanatory research design. The target population for this study was 2053 owners/managers of small and medium enterprises. The sample size for the survey was 335 managers of small and medium enterprises. The study adopted stratified and simple random sampling methods to select the owners/managers per sector. Primary data was collected using questionnaires. The validity test has been carried out using factor analysis and correlation, while the reliability test has been carried out using Cronbach's Alpha. The collected data was analyzed using both descriptive and inferential statistics. Descriptive statistics were frequency, mean, standard deviation, and percentage. The inferential analysis was done through correlation and hierarchical moderating regression analysis. The data analyzed has been presented in tables. The study findings revealed that innovativeness positively and significantly affected business performance ($\beta_1=0.222$, $p<0.05$). Risk-taking positively and significantly affects business performance ($\beta_2=0.166$, $p<0.05$). Pro-activeness positively and significantly affected business performance ($\beta_3=0.178$, $p<0.05$). Competitive aggressiveness positively and significantly affected business performance ($\beta_4=0.103$, $p<0.05$). Autonomy positively and significantly affected business performance ($\beta_5=0.144$, $p<0.05$). Financial capital access had an enhancing moderating effect on the relationship between innovativeness and business performance (R^2 change =0.010). The financial capital access had an enhancing moderating effect on the relationship between risk-taking business performance (R^2 change=0.014). Financial capital access had an enhancing moderating effect on the relationship between pro-activeness and business performance (R^2 change =0.008). Financial capital access had an enhancing moderating effect on the relationship between competitive aggressiveness and business performance (R^2 change =0.009). Financial capital access has an enhancing moderating effect on the relationship between autonomy and business performance (R^2 change=0.014). The study concluded that increased business innovation leads to increased productivity across various business dimensions, including individuals, processes, and business models. Pro-activeness builds self-motivation, leads to creative problem-solvers, and is eager to seize chances. Risk-taking motivates entrepreneurs to find a strategy that works because of the significant risk taken. Employees who engage in competitive aggressiveness can better overcome anger towards a specific person. Autonomy boosts motivation and enjoyment while reducing employee turnover. The study recommends that firms to enhance entrepreneurial orientation to improve business performance. This proves that entrepreneurial-orientated culture should enhance entrepreneurial behaviour within the firm.

TABLE OF CONTENT

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGMENT	iv
ABSTRACT	v
TABLE OF CONTENT	vi
LIST OF TABLES	xi
LIST OF FIGURES	xii
DEFINITION OF TERMS	xiii
ABBREVIATIONS	xv
CHAPTER ONE	1
INTRODUCTION.....	1
1.0 Introduction.....	1
1.1 Background of the Study	1
1.2 Statement of Problem.....	6
1.3 Objectives of the Study	8
1.3.1 General Objective	8
1.3.2 Specific Objectives	9
1.4 Research Hypotheses	10
1.5 Justification of the Study	11
1.6 Significance of the Study	12
1.7 Scope of the Study	12
CHAPTER TWO	13
LITERATURE REVIEW	13
2.0 Introduction.....	13
2.1 Concepts.....	13
2.1.1 Business Performance.....	13
2.1.2 Financial Capital Access.....	14
2.1.3 Entrepreneurship Orientation.....	15
2.2 Theoretical Review	20
2.2.1 Contingency theory	20
2.2.2 Discovery Theory.....	22
2.2.3 Schumpeter’s Innovation Theory.....	24

2.2.4 Dynamic Capabilities Theory	25
2.3 Empirical Review.....	28
2.3.1 Innovativeness on Business Performance of Small and Medium Enterprises.	28
2.3.2 Risk-Taking on Business Performance of Small and Medium Enterprises.....	30
2.3.3 Pro-Activeness on Business Performance of Small and Medium Enterprises	33
2.3.4 Competitive Aggressiveness on Business Performance of Small and Medium Enterprises.....	35
2.3.5 Autonomy of Business Performance on Small and Medium Enterprises.....	38
2.3.6 Moderating Effect of Financial Capital Access on Relationship between Entrepreneurial Orientation on Business Performance	41
2.4 Critique of the Existing Literature	49
2.5 Literature Gaps.....	50
2.6 Conceptual Framework.....	51
CHAPTER THREE	53
RESEARCH METHODOLOGY	53
3.0 Introduction.....	53
3.1 Research Design.....	53
3.2 Area of Study	53
3.3 Target Population.....	54
3.4 Sampling Frame	55
3.5 Sample Size.....	55
3.6 Sampling Design and Procedures	56
3.7 Data Collection Instruments	57
3.8 Data Measurements.....	58
3.9 Data Collection Procedure	60
3.10 Pilot Test.....	60
3.10.1 Validity	61
3.10.2 Reliability.....	63
3.11 Data Analysis and Presentation	63
3.11.1 Descriptive Analysis	64
3.11.2 Inferential Analysis	66
3.11.3 Regression Assumptions	69
3.12 Ethical Considerations	71
CHAPTER FOUR.....	72

DATA ANALYSIS, PRESENTATION AND DISCUSSIONS	72
4.0 Introduction.....	72
4.1 Response Rate.....	72
4.2 Data Screening and Cleaning.....	72
4.2.1 Missing Value and Treatment.....	73
4.2.2 Outliers Detection and Treatment.....	73
4.3 Pilot Study Results.....	74
4.3.1 Validity of the Instruments.....	74
4.3.2 Reliability of the Study.....	78
4.4 Business Profile.....	79
4.4.1 Business Size.....	79
4.4.2 Type of Business.....	79
4.5 Demographic Information of the Respondents.....	80
4.5.1 Gender Distribution of the Respondents.....	80
4.5.2 Years of Operation.....	81
4.6 Descriptive Statistics Findings.....	82
4.6.1 Business Performance.....	82
4.6.2 Effect of Innovativeness on Business Performance.....	85
4.6.3 Effect of Risk-Taking on Business Performance.....	87
4.6.4 Effect of Pro-Activeness on Business Performance.....	89
4.6.5 Effect of Competitive Aggressiveness on Business Performance.....	91
4.6.6 Effect of Autonomy on Business Performance.....	93
4.6.7 Financial Capital Access.....	95
4.7 Multiple Regression Assumptions Test.....	97
4.7.1 Normality Assumptions Test.....	97
4.7.2 Test of Linearity.....	98
4.7.3 Multicollinearity Test.....	99
4.7.4 Homoscedasticity Assumption.....	100
4.8 Inferential Analysis.....	100
4.8.1 Correlation Analysis.....	100
4.8.2 Regression Analysis Results.....	102
4.8.3 Model Summary.....	102
4.8.4 Model Fitness.....	103
4.8.5 Regression Coefficients.....	103

4.9 Hierarchical Moderated Regression Analysis.....	105
4.9.1 Model Summary.....	105
4.9.2 Multiple Regression Model Fitness	107
4.9.3 Multiple Regression Coefficients	109
4.10 Hypotheses Test Results	113
4.10.1 Hypothesis Testing of the Effect of Innovativeness on the Business Performance	113
4.10.2 Hypothesis Testing of the Effect of Risk-Taking on the Business Performance	113
4.10.3 Hypothesis Testing of the Effect of Proactiveness on the Business Performance	114
4.10.4 Hypothesis Testing of the effect of Competitive Aggressiveness on the business performance.....	114
4.10.5 Hypothesis Testing of the effect of Autonomy on the business performance	114
4.10.6 Hypothesis Testing of Financial Capital Access on the Relationship Between Innovativeness and Business Performance	115
4.10.7 Hypothesis Testing of Financial capital access on the Relationship Between Risk-taking and Business performance.....	115
4.10.8 Hypothesis Testing of Financial capital access on the Relationship Between Proactiveness and Business performance	115
4.10.9 Hypothesis Testing of Financial capital access on the Relationship Between Competitive aggressiveness and Business performance.....	116
4.10.10 Hypothesis Testing of Financial capital access on the Relationship Between autonomy and Business performance	116
CHAPTER FIVE	118
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	118
5.1 Introduction.....	118
5.2 Summary of the Findings.....	118
5.2.1 Business Performance.....	118
5.2.2 Innovativeness and Business Performance	118
5.2.3 Risk-Taking and Business Performance	119
5.2.4 Pro-Activeness and Business Performance.....	120

5.2.5 Competitive Aggressiveness and Business Performance	121
5.2.6 Autonomy and Business Performance	121
5.2.7 Moderating effect of financial capital access on relationship between innovativeness, risk-taking, pro-activeness, competitive aggressiveness, autonomy and business performance	122
5.3 Discussions of the Study Results	123
5.3.1 Business Performance	123
5.3.2 Effect of Innovativeness on Business Performance	125
5.3.3 Effect of Risk-Taking on Business Performance	126
5.3.4 Effect of Pro-Activeness on Business Performance	128
5.3.5 Effect of Competitive Aggressiveness on Business Performance	130
5.3.6 Effect of Autonomy on Business Performance.....	132
5.3.7 Financial Capital Access.....	134
5.4 Conclusions of the Study	135
5.5 Limitation of the Study	136
5.6 Recommendations for Further Research.....	137
REFERENCES	139
APPENDICES	154
Appendix I: Introductory Letter	154
Appendix II: Questionnaire.....	155
Appendix III: Permit Application Letter from Moi University	162
Appendix IV: Nacosti Research Permit.....	163
Appendix V: Map of Eldoret Town	164
Appendix VI: Plagiarism Certificate	165

LIST OF TABLES

Table 3.1 Target Population.....	55
Table 3.2 Sample Size.....	56
Table 3.3 Data Measurements.....	59
Table 3.4 Summary of Data Analysis Techniques.....	65
Table 4.1 Response Rate.....	72
Table 4.2 KMO and Bartlett's Test	74
Table 4.3 Variance Results and Factor Loadings of Entrepreneurial Orientations	76
Table 4.4 Variance Results and Factor Loadings	77
Table 4.5 Reliability Test of the Research Questionnaire	78
Table 4.6 Business Size	79
Table 4.7 Type of Business.....	80
Table 4.8 Gender of the Respondents	80
Table 4.9 Years of Operation.....	81
Table 4.10 Business Performance.....	82
Table 4.11 Innovativeness	85
Table 4.12 Risk-Taking	87
Table 4.13 Pro-Activeness	89
Table 4.14 Competitive Aggressiveness.....	91
Table 4.15 Autonomy	93
Table 4.16 Financial Capital Access.....	95
Table 4.17 Normality Assumptions Test	97
Table 4.18 Linearity Test.....	98
Table 4.19 Multicollinearity Diagnostics	99
Table 4.20 Homoscedasticity Assumption	100
Table 4.21 Correlation Analysis	101
Table 4.22 Regression Model Summary.....	102
Table 4.23 Results of Model Fitness.....	103
Table 4.24 Regression Analysis Coefficient.....	104
Table 4.25 Multiple Regression Model Summary Results	105
Table 4.26 Test Results for Goodness of Fit.....	107
Table 4.27 Test Results for Regression Analysis Coefficients with Moderation	109
Table 4.28 Summary of Hypotheses Test Results	117

LIST OF FIGURES

Figure 2.1 Conceptual Framework	52
Figure 4.1 Scree Plot.....	75

DEFINITION OF TERMS

Autonomy is where a business owner is provided with discretion and independence to schedule their business operation and determine how it is to be done (Dworkin, 2017).

Business performance is measuring the actual performance of a business against intended goals (Hoerl & Snee, 2020).

Competitive aggressiveness is the tendency to intensely and directly challenge competitors rather than try to avoid them (Linton, 2019).

Enterprise means an undertaking or a business concern, whether formal or informal, engaged in the production of goods or provision of services;

Entrepreneurial orientations are a strategy-making process that provides organizations with a basis for entrepreneurial decisions and actions to create a competitive advantage, such as risk-taking, innovative, and proactive behaviours (Lumpkin & Dess, 1996).

Entrepreneurship is defined as starting and running your own business or a tendency to be creative and wish to work for yourself in your ventures.

Financial capital access is getting hold of assets needed by an entrepreneur to provide goods or services to customers as measured in terms of money value (Alden & Hammarstedt, 2016).

Innovation is the process of making a new product or improvement that better serves a business, including a new product or service, a workflow

improvement, or anything else that improves the company in a new way (Kahn, 2018).

Proactiveness is taking control of a situation and making early changes, rather than adjusting to a problem or waiting for something to happen (Linton, 2019).

Risk-taking is the act of doing business involving danger or risk to achieve a business goal (Hock-Doepgen, Clauss, Kraus & Cheng, 2020).

Small and Medium Enterprises are non-subsidiary, independent firms that employ fewer than a given number of employees.

Small firms are generally those with fewer than 50 employees.

ABBREVIATIONS

BP	Business Performance
DCT	Dynamic Capabilities Theory
EO	Entrepreneurial Orientations
ERP	Economic Restructuring Program
FCA	Financial Capital Access
GDP	Gross Domestic Product
IMF	International Monetary Fund
KNBS	Kenyan National Bureau Of Statistics
KPIs	Key Performance Indicators
MBE	Minority Business Enterprises
OLS	Ordinary Least Square
SEM	Structural Equation Modeling
SMEs	Small and Medium Enterprises
SPSS	Statistical Package For The Social Sciences
VA	Value Added
VRIN	Valuable, Rare, Inimitable and Non-Substituable

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter discusses the background information of the study, statement of the problem, objectives of the study, research hypotheses, justification of the study, the study's significance, and the study's scope of the study and limitations of the study.

1.1 Background of the Study

Many nations, particularly developing countries, have recognized the value of small and medium-sized enterprises. Small and medium-scale enterprises are seen as the engine of growth for any economy. They play an essential role in economic development, innovation, competitiveness, and poverty alleviation (Liang & Bao, 2018). They have been characterized as dynamic, innovative, and efficient, and their small and medium size allows for flexibility and quicker decision-making. Globally, it has established those entrepreneurial orientations play an essential role in the success of entrepreneurs throughout the world. The rising entrepreneurial phenomenon is ever-growing (Nguyen, & Phan, 2014).

The world has grown into an entrepreneurial economy with new businesses being created, and entrepreneurs are hailed as the new heroes of economic development and competitive enterprises. Incorporating an entrepreneurial approach as a foundation of strategic management is necessary for the rapidly evolving environments of competition and change. In Japan, small and medium enterprises support the backbone of the Japanese economy by applying world-leading technology in the running of these firms (Ishikawa, Amaoka, Masubuchi, Yamamoto, Yamanaka, Arai & Takahashi, 2018).

There are approximately 4.3 million small and medium enterprises in Japan, constituting 99.7 percent of all companies, and roughly 28 million employees working at small and medium enterprises, who account for 71 percent of all workers. At the same time, small Japanese manufacturers alike are struggling to adapt to a period of weak domestic demand, increased competition at home and abroad, and the emergence of Japan into a high-cost economy through frequent technology changes. In this regard, innovative companies can offer the catalyst the Japanese economy needs.

In Singapore, EO plays an essential role in enhancing firm performance and has both direct and indirect effects on firm performance. The small and medium enterprises have contributed significantly to job creation, social stability, and economic welfare of the countries. Singapore is one of the countries with the best technology, and it is through these those small and medium enterprises are found to exert a strong influence on the economies of many countries. Small and medium enterprises in Singapore have provided the economy with economic growth, employment and innovation (Opote, 2020).

In Malaysia, the government provides finance credit and technical support to all the small and medium enterprises in the country. As a result, small and medium enterprises have also played a critical role in Malaysia's economic development. The Census of Establishments and Enterprises (Census) 2015 conducted by the Malaysian Department of Statistics revealed that 97.3 percent, or 645,136, of business establishments in Malaysia, were small and medium enterprises, with the highest concentration in the services sector, especially in retail, restaurant and wholesale businesses (Yuen & Ng, 2021).

In Tanzania, indigenous productive activities were hindered by colonial regulations and competition from imports due to the absence of proactiveness in its economy. Throughout the colonial period, Tanzania's industries were designed to provide raw materials for use in European industries (Mori & Olomi, 2016). Further, the deliberate policy to limit the participation of indigenous Tanzanians in business activities restricted business opportunities to small enterprises such as tiny shops. As a result, the development of entrepreneurial values in terms of building competence and confidence in pursuing opportunities, creativity, risk-taking ability, etc., among the individual Tanzanians was negatively affected. In collaboration with World Bank and International Monetary Fund (IMF), the country has implemented a radical transformation program through small and medium enterprises. The Economic Restructuring Program (ERP) was motivated by the need to fill the entrepreneurial space created by the divestment of state-owned enterprises and the liberalized economy.

South Africa's technology level is more advanced compared to other African countries. Despite this, several businesses in South Africa have yet to embrace technological orientation for tiny and medium enterprises (Fatoki, 2014). A small business is a firm with a maximum of two hundred workers. Like most developing economies, South Africa has a booming informal sector; small-scale, home-based grocery stores have provided everyday necessities that customers would otherwise have had to purchase from distant supermarkets. South Africa is a transition economy as well. It only gained independence in 1994 and has an economy that, in some instances, resembles a developed nation and, in others, a developing country.

In Uganda, small and medium enterprises are characterized by a lack of modern technology, low value-added nature, rarely searching for information, and need help establishing long-term relationships in international markets. As such, they continue to suffer in their export ventures as they need to generate more sales and revenue compared to countries such as Malaysia and Egypt. In contrast, the government of Uganda tends to be reactive, passive, and adaptive, which limits its performance in foreign markets (Abaho, Begumisa, Aikiriza, & Turyasingura, 2017).

The Government of Kenya (2005) defined small and medium enterprises as those with between 1 and 50 employees, formal or informal. The importance of small and medium enterprises in Kenya was first recognized in the International Labour Organization report on Employment, income, and Equity in Kenya in 1972 (Ngugi, 2014). The report underscored small and medium enterprises as an employment and income growth engine. According to 2003 Kenya's Economic Survey, the level of employment within small and medium enterprises in 2002 accounted for over 74.2% of the total number of persons engaged in the country. This is evidence that, with proper development strategies, the sector can provide and surpass the current government's target of creating 500,000 jobs per year. In Kenya, small and medium enterprises are considered the most prolific source of employment, with the ability to spread investment across the country (Sessional Paper No.2, 2005).

According to the Kenyan National Bureau of Statistics economic survey (2019) Kenyan economy created 840.6 thousand new jobs in 2018, with small and medium enterprises mainly in the informal sector accounting for 83.6 percent of the total employment created, small and medium enterprises have maintained Financing through retained business profits as their number one option.

The rapid increase in the use of Chama and Mobile Money and a sharp decline in Banks as a source of finance can be attributed to the effects of the interest rate cap introduced in 2016. Despite the high levels of resilience exhibited by the small and medium enterprises sector, as evidenced by job creation abilities in a harsh environment and a significant contribution to GDP at over 30%, small and medium enterprises still face serious challenges that impede their growth. Small businesses experienced an average decline of 4% points, while medium enterprises experienced an average turnover increase of 7% points.

There is no standard definition for Small and Medium-Sized Enterprises (SMEs) globally. However, critical attributes considered when defining them include the number of employees, turnover, and capital. In Kenya, SMEs are variously defined in different contexts. They are described as enterprises that have 1-99 employees. Small enterprises have 10-49 employees, while medium-sized enterprises have 50-99 employees (Micro, Small and Medium-Sized Enterprises act of 2012). Under this act of 2012, medium enterprises are not defined. However, these have been indicated as those with KES 5 million to 800 million annual turnovers and 50-99 employees (GoK, 2012).

Small and medium-sized enterprises are businesses whose personnel numbers fall below certain limits per country. In United States the Small Business Administration (SBA) defines a small business as one that has fewer than 500 employees and meets certain other criteria, such as having less than \$7 million in annual receipts for most industries. The European Commission defines an SME as a company with fewer than 250 employees and an annual turnover of less than €50 million or a balance sheet total of less than €43 million. The Canadian government defines an SME as a company with

fewer than 100 employees and an annual revenue of less than \$40 million. The Australian government defines an SME as a company with fewer than 200 employees and an annual revenue of less than \$10 million. The Japanese government defines an SME as a company with fewer than 300 employees and an annual turnover of less than ¥300 million.

The 1999 National Micro and Small Enterprises Baseline survey defined MSEs as enterprises in both formal and informal sectors employing 1 to 50 workers. Small and medium-sized enterprises (SMEs) use fewer than 250 people. SMEs are further subdivided into micro enterprises (fewer than ten employees), small enterprises (10 to 49 employees), and medium-sized enterprises (50 to 249 employees). Large enterprises employ 250 or more people.

1.2 Statement of Problem

The ideal situation with respect to SME performance is one where small and medium-sized enterprises (SMEs) are able to thrive and grow, contributing to the economic development of their communities and countries. This would mean that SMEs are profitable, sustainable, innovative and adaptable. Small and medium enterprises are expected to contribute enormously to the Kenya economy in terms of employment and income generation on small and medium enterprises play a significant role in economic development by creating work, wealth creation, poverty eradication, and creation of new firms. This sector had the largest share of employment, accounting for 82.7 percent of the total jobs (Ping, 2015). In the global economy, small and medium enterprises are primarily recognized as engines of growth and development and are the backbone of the economy in many developed nations (Otman, 2021); small and medium enterprises

have emerged as a vibrant and dynamic component of the economy by their significant contribution to GDP, industrial production and exports (Fufa, 2016).

Despite the small and medium enterprise's contribution to the economy, their business performance has not been impressive. Between 2001 and 2002, the enterprises' performance dropped by 56% (Kenya Economic Survey, 2003). On the other hand, industrial economists indicated that large small, and medium enterprises have higher bankruptcy rates and a slow growth rate than listed firms. Large enterprises still need help improving their financial performance since short-term loans, trade credit, and long-term loans are not well managed. This may result from large enterprises not using outstanding debts in their day-to-day transactions, and if this problem is not tackled, it may continue to cause financial distress and business failure.

SMEs often have difficulty obtaining loans and other forms of financing. This can prevent them from investing in growth and innovation. SMEs may have difficulty breaking into new markets or expanding into existing ones. This can be due to a lack of brand recognition, limited distribution channels, or high competition. SMEs may not have the resources to invest in new technologies. This can make it difficult for them to stay competitive in a fast-paced digital economy. SMEs may have difficulty finding skilled workers. This can be due to a lack of training programs or a competitive labor market. SMEs may face unfair competition from larger businesses. This can be due to economies of scale, government regulations, or predatory pricing.

Most small and medium enterprises have decided not to access the public markets for financing; therefore, ownership in their businesses remains in the hands of a select few shareholders. Despite small firms using different funding sources, some stagnate, and others fail. This is attributed to a lack of knowledge on the best funding sources for

small firms; business owners need to have ideas on how debts and internal sources of finance influence their financial performance. In addition, capital structure decision-making is even more complicated when examined in an international context, particularly in developing countries where markets are characterized by controls and institutional constraints (Tetteh et al., 2022).

Most of the literature seeking an association between the capital structure and the firm-specific or industry characteristics has focused on the experience of developed economies (Chin, Zakaria & Keong, 2020), where they have many institutional similarities. However, emerging markets, with many institutional differences, have rarely been the subject of research in this field (Moradi & Paulet, 2019); low-growth small firms may also exhibit a high mix of debt to equity because they cannot generate retained earnings. However, studies were done on entrepreneurial orientations, and business performance was carried out outside Kenya and some in different sectors, such as banks. Further, few studies have been conducted on moderating the effect of financial capital access on the relationship between entrepreneurial orientations and business performance of small and medium enterprises in Eldoret town, Uasin Gishu County, Kenya. Therefore, this study seeks to fill the gap by researching the effect of financial capital access on entrepreneurial orientations on the business performance of small and medium enterprises in Eldoret town, Uasin Gishu County, Kenya.

1.3 Objectives of the Study

1.3.1 General Objective

This study investigated the effect of entrepreneurial orientations, financial capital access, and business performance of small and medium enterprises in Eldoret town, Uasin Gishu County, Kenya.

1.3.2 Specific Objectives

1. To examine the effect of innovativeness on the business performance of small and medium enterprises in Eldoret Town.
 2. To determine the effect of risk-taking on the business performance of small and medium enterprises in Eldoret Town.
 3. To assess the effect of pro-activeness on the business performance of small and medium enterprises in Eldoret Town.
 4. To explore the effect of competitive aggressiveness on the business performance of small and medium enterprises in Eldoret.
 5. To establish the effect of autonomy on the business performance of small and medium enterprises in Eldoret.
- 6a.** To determine the moderating effect of financial capital access on the relationship between innovativeness and business performance of small and medium enterprises in Eldoret Town;
 - 6b.** To determine the moderating effect of financial capital access on the relationship between risk-taking and business performance of small and medium enterprises in Eldoret Town;
 - 6c.** To determine the moderating effect of financial capital access on the relationship between pro-activeness and business performance of small and medium enterprises in Eldoret Town;
 - 6d.** To determine the moderating effect of financial capital access on the relationship between competitive aggressiveness and business performance of small and medium enterprises in Eldoret Town;

- 6e. To determine the moderating effect of financial capital access on the relationship between autonomy and business performance of small and medium enterprises in Eldoret Town;

1.4 Research Hypotheses

A research hypothesis is a specific, clear, and testable proposition or predictive statement about the possible outcome of a scientific research study based on a particular property of a population, such as presumed differences between groups on a particular variable or relationships between variables.

- H₀₁.** Innovativeness has no significant effect on the business performance of small and medium enterprises in Eldoret Town.
- H₀₂.** Risk-taking has no significant effect on the business performance of small and medium enterprises in Eldoret Town.
- H₀₃.** Pro-activeness has no significant effect on the business performance of small and medium enterprises in Eldoret Town.
- H₀₄.** Competitive aggressiveness has no significant effect on the business performance of small and medium enterprises in Eldoret Town.
- H₀₅.** Autonomy has no significant effect on the business performance of small and medium enterprises in Eldoret Town.
- H_{06a}.** Financial capital access has no significant moderating effect on the relationship between innovativeness and business performance of small and medium enterprises in Eldoret Town.
- H_{06b}.** Financial capital access has no significant moderating effect on the relationship between risk-taking and business performance of small and medium enterprises in Eldoret Town.

- H_{06c}.** Financial capital access has no significant moderating effect on the relationship between pro-activeness and business performance of small and medium enterprises in Eldoret Town.
- H_{06d}.** Financial capital access has no significant moderating effect on the relationship between competitive aggressiveness and the business performance of small and medium enterprises in Eldoret Town.
- H_{06e}.** Financial capital access has no significant moderating effect on the relationship between autonomy and business performance of small and medium enterprises in Eldoret Town.

1.5 Justification of the Study

The study examines the effects of entrepreneurial orientations and financial capital access on the business performance of small and medium enterprises in Eldoret Town. Small and medium enterprises (SMEs) are widely recognized as the critical economic development engine and play important financial roles in many developing countries worldwide. They have been the means through which accelerated economic growth and rapid industrialization can be achieved. Despite their contributions to income and employment creation, most SMEs fail to survive and grow into larger corporate entities. In other words, despite the contribution of SMEs to economic development, most still face many obstacles that limit their long-term survival and sustainability. Entrepreneurial orientation (EO) has emerged as an essential concept in the survival of SMEs over the past two decades (Hung & Change, 2015). EO involves an organization's willingness to innovate and rejuvenate its business position (innovativeness), to take a risk by staking out its competitive position (risk taking), and to be more proactive than its competitors in seeking out new marketplace opportunities (proactiveness).

1.6 Significance of the Study

The study was essential to small and medium enterprises owners, government and policymakers, researchers, and academicians. The study benefited small and medium enterprise owners. It provided an understanding of entrepreneurial orientations on business performance. The small and medium enterprises owners were able to focus on entrepreneurial orientation components, which include innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy to improve business performance in their organizations. The study provided insights into entrepreneurial orientations on business performance this ensured uniform operations in the industry by informing the formulation of policies by concerned stakeholders. Therefore, the government formulated policies to ensure that the environment in which the company operates favorable for sustainable performance. To the researchers and academicians, the study provided information that can be used as a literature review in studies related to entrepreneurial orientation and business performance of small and medium enterprises. The study also provided a base upon which further studies were conducted on the effect of entrepreneurial orientations and business performance of small and medium enterprises.

1.7 Scope of the Study

The study examined the effect of entrepreneurial orientations, financial capital access, and business performance of small and medium enterprises in Eldoret, Kenya. The study focused on five components of entrepreneurial orientations: innovativeness, risk-taking, proactiveness, competitive aggressiveness and autonomy. The study targeted small and medium enterprises owners/managers. The study was carried out in Eldoret Town, Kenya. The study was conducted between July 2022 to November 2022.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter focuses on a literature review of financial capital access, entrepreneurial orientations, and business performance; it discusses the theoretical literature, empirical review, conceptual framework, summary of the literature, critique of existing literature, and literature gaps.

2.1 Concepts

The following concepts guided the study business performance, financial capital access and entrepreneurship orientation.

2.1.1 Business Performance

Business performance is measuring the actual performance of a business against intended goals (Hoerl & Snee, 2020). Business performance of small and medium enterprises is the value added (VA) by small and medium enterprises, as a percent of the total VA by enterprises. Globally, small and medium enterprises account for over 95% of firms and 60%-70% of employment and generate a large share of new jobs in Organization for Economic Co-operation and Development economies (Zafar & Mustafa, 2017), small and medium enterprises (Small and medium enterprises) play an essential part in the development of the national economy. It is also considered the main source of employment, poverty reduction, improvement in lifestyle, and empowerment of low-income groups. They are a major source of job creation and represent the seeds for future large companies and corporations. Small and medium enterprises are more innovative than larger firms due to their flexibility and ability to quickly and efficiently integrate inventions created by the firms' development activities.

2.1.2 Financial Capital Access

Financial capital access is getting hold of assets needed by an entrepreneur to provide goods or services to customers as measured in terms of money value (Alden & Hammarstedt, 2016). Access to finance is an important factor for small and medium enterprises, allowing them to expand their operations, modernize equipment or move into new undertakings, thereby increasing their competitiveness and helping them grow. However, ease of access to finance is typically correlated with entrepreneurial orientations and firm growth. These imply that the slower the business growth and performance, the more difficult it is to tap into external financing options. Almost 70% of small and medium enterprises do not use external financing from financial institutions, and another 15% are underfinanced. The total credit required to finance these small and medium enterprises fully is over \$2 trillion, equivalent to 14% of the GDP of the developing economy (Hain, 2015). This can be for many reasons, including higher rates of informality among smaller firms, a higher perceived risk profile, fewer collateral options, and lower accounting and financial management capacity. Small and medium enterprises tend to be particularly exposed to downturns in the supply of finance due to their higher risk profile and more limited collateral options.

The probability of being credit-constrained decreases as firm size increases, and those small and medium enterprises in the least-developed regions like Sub-Saharan Africa, East Asia, and the Pacific and South Asia are more likely to encounter significant financing obstacles (Akoto, 2018). Access to finance has been identified as one of the most critical constraints to firm growth. On the other hand, the availability of external finance is positively associated with entrepreneurship indicators such as the number of startups and strong dynamism and innovation (Giraud, Giudici & Grilli, 2019).

2.1.3 Entrepreneurship Orientation

Entrepreneurial orientations are a strategy-making process that provides organizations with a basis for entrepreneurial decisions and actions to create a competitive advantage, such as risk-taking, innovative, and proactive behaviours (Lumpkin & Dess, 1996). Entrepreneurial orientation is considered a higher-order construct with a multidimensional measure of firm-level entrepreneurship, comprising innovativeness, pro-activeness, risk-taking, competitive aggressiveness, and autonomy (Sahoo & Panda, 2019). Entrepreneurial orientation refers to the strategy-making processes that provide organizations with a basis for entrepreneurial decisions and actions. That reflects the methods, practices, and decision-making styles managers use to act entrepreneurially. According to Gupta and Dutta (2018), entrepreneurial orientation can be viewed as a set of psychological traits, values, and attitudes strongly associated with a motivation to engage in entrepreneurial activities (Nwankwo & Nwuche, 2016).

Innovation is the process of making a new product or improvement that better serves a business, including a new product or service, a workflow improvement, or anything else that improves the company in a new way (Kahn, 2018). Innovativeness is the ability of the firm to create and market new products. Innovativeness is, therefore, a necessary ingredient of the business enterprise and firm execution. Inventiveness mirrors the capacity of a firm to create and develop new products, new ways of marketing, and product development. Development is an essential method for seeking after circumstances as it is a vital segment of entrepreneurial orientation (Lechner & Gudmundsson, 2014). Innovativeness tends to an enterprise “to engage in and support new ideas, novelty, researching, and creative processes that may result in new products, services, or technological processes. Innovation represents a continuum ranging from a

willingness to try innovations to a serious commitment to innovation. Firms that are highly innovative grow. However, researchers have reported that an innovative strategy is essentially speculative, with returns unknowable in advance. Innovators run the risk of wasted resources if the investment does not yield the hoped-for results. Innovations that become successful also risk imitation (Dai, Maksimov, Gilbert & Fernhaber, 2014).

Risk-taking is the act of doing business involving danger or risk to achieve a business goal (Hock-Doepgen, Clauss, Kraus & Cheng, 2020). Propensity risk-taking relates to a business's readiness to pursue opportunities despite uncertainty around eventual success. It entails acting boldly without knowing the consequences. On risk-taking, the firm knowingly devotes the resources to projects with chances of high returns but may also entail higher failure (Lurtz & Kreutzer, 2017). The psychological theories of locus of control and need for achievement, which entails a moderate risk-taking propensity, have also been associated with higher performance by individuals. According to Mthanti and Ojah (2017), this might predict that a moderate risk-taking propensity would be associated with higher performance levels.

Proactiveness is taking control of a situation and making early changes, rather than adjusting to a problem or waiting for something to happen (Linton, 2019). Proactiveness relates to market opportunity in entrepreneurship by "seizing the Proactiveness and acting opportunistically to shape the environment, that is, to influence trends and, perhaps, even to create demand. The characteristics of a Proactive enterprise involve aggressiveness and unconventional tactics towards rival enterprises in the same market segment, such enterprises shape their environments by actively seeking and exploiting opportunities". Proactive firms introduce new products, technologies, and

administrative techniques to shape their environment and not react to it (Mwaura, Gathenya & Kihoro, 2015).

Competitive aggressiveness is the tendency to intensely and directly challenge competitors rather than try to avoid them (Linton, 2019). Competitive aggressiveness refers to a firm's propensity to directly and intensively challenge its competitors to achieve entry or improve the situation to outperform industry rivals (Rahman, Civelek & Kozubíková, 2016). As mentioned, competitive aggressiveness is vital to act timely in the market conditions by outperforming the competitors. Acting aggressively in the market may lead the firm to cut prices and adopt aggressive marketing strategies to increase production capabilities. In some cases, firms adopt this EO to create more market demand or achieve economies of scale. Similarly, a firm can also engage in competitive aggressiveness when they cut down the prices radically to increase market penetration or to create a monopoly nature of the product.

However, this strategy may not be suitable for firms with resource limitations because they may not be able to reduce production costs since they cannot operate at the maximum level of economies of scale. Lechner and Gudmundsson (2014) argue that small firms are more vulnerable to changes in market competition, and, as a result, they have to be more aggressive to beat the market competition to create a safety net for their survival. On the other hand, Moss et al. (2015) find that if micro firms can show better competitive aggressiveness, it is most likely that banks can fund them as a result of the signaling approach in the market. Thus, it suggests that banks can increase the funding level of firms when they can get the information that the firm is competitive, which may lead to easy access to finance.

Autonomy is where a business owner is provided with discretion and independence to schedule their business operation and determine how it is to be done (Dworkin, 2017). Autonomy allows businesses to shape their work environment to perform to the best of their ability (Gelderen, 2016). An autonomous workplace is based on trust, respect, dependability, and integrity. When businesses are given the freedom associated with autonomy, it positively influences motivation and performance. Businesses that feel they have the freedom to make choices in the workplace about how to do their job are happier and more productive. Higher levels of autonomy in the business have been shown to increase business satisfaction and, in some cases, motivation to perform the job (Haski-Leventhal, Kach & Pournader, 2019).

Many companies now make use of autonomous work teams. Autonomy in the business can benefit employees, teams, managers, and the company as a whole, but it also may have drawbacks (Moe, Dahl, Stray, Karlsen, & Schjødt-Osmo, 2019). Increased autonomy should make employees feel a greater responsibility for the outcomes of their work and therefore have increased work motivation. When employees have greater levels of autonomy, their personality traits (specifically conscientiousness and extroversion) have a stronger impact on business performance. Thus, by giving employees more autonomy, they can better use their attributes to contribute to business performance (Mankins & Garton, 2017).

Unfortunately, too much autonomy can lead to employee dissatisfaction. Each individual has a different level of need for autonomy in their job (Worth & Van den Brande, 2020). Some workers prefer more direction from a manager and feel uncomfortable with autonomy; they may not want to exert effort or take the responsibility of having their name solely associated with a task, project, or product.

Additionally, if employees are not well-equipped either in training or in personality to exercise autonomy, it may result in workplace tension and poor performance. Finally, when given autonomy, workers may believe that they have authority somewhat equal to that of their direct supervisor (Lu, Brockner, Vardi & Weitz, 2017). This may cause them to resent the extra responsibility or feel that their pay should be increased. A related concern is that managers may feel marginalized when employee autonomy increases, particularly when there is a change to a traditional work environment. Managers may feel that giving employees autonomy means they no longer contribute as much to the organization or that their jobs may be at stake (Poulsen & Ipsen, 2017).

Managers tend to have increased autonomy in organizations that are more decentralized (Hsieh, Vergne, Anderson, Lakhani & Reitzig, 2018). In such organizations, managers have more latitude to make decisions regarding employees' work and even personnel decisions. As with employee autonomy, this freedom can result in motivation and satisfaction for the manager, who may be in a better position to reward and motivate employees. However, as with employee autonomy, managers who have autonomy may not be equipped to handle it. If managers make poor decisions, this may be harmful to employees and the organization as a whole (DuPont, 2017).

Many organizations have started using teams in the workplace, many of which operate autonomously (Murray, Kuban, Josefy & Anderson, 2019). Self-managed work teams are those in which a supervisor gives little direction to the team, and the team members manage themselves. The success of such teams depends greatly on the team members, including their professional capabilities and ability to work together. Such autonomous teams can often enhance an organization's ability to be creative, flexible, and innovative. However, as with individuals, too much autonomy in a team can reduce

productivity. When individuals work too independently, their lack of communication and monitoring of one another may result in poor team performance (Garrod, 2016). Additionally, without supervision, the team may pursue goals different from those of the organization. Thus, periodic meetings and supervision from a manager may be necessary to avoid problems associated with too much autonomy.

An organization's structure often dictates the autonomy of employees, managers, and culture; traditional, bureaucratic organizations often have little autonomy, but newer, more organic structures rely on autonomy, empowerment, and participation to succeed (Corcoran & Duane, 2019). Employee autonomy is believed to have minimized some relational barriers between superiors and subordinates. Therefore, autonomy may improve workplace functions through the ideas and suggestions of employees and foster relationships with a greater degree of trust between management and employees. However, increased autonomy in the organization also may create disparity among units through different work practices and rules. In the worst case, increased autonomy may allow some employees to engage in unethical behavior (Tang, Yam & Koopman, 2020). Thus, a certain amount of oversight is necessary for organizations to prevent wrongdoing that may go unnoticed when there are high levels of autonomy.

2.2 Theoretical Review

The study was guided by contingency theory, discovery theory, Schumpeter's innovation theory, and dynamic capabilities theory.

2.2.1 Contingency theory

The study was guided by the contingency theory developed by Fiedler and Pták (1960). Contingency theory states that a leader's effectiveness depends on how well the leader's style matches a specific setting or situation (Amanchukwu, Stanley & Ololube, 2015).

Contingency theory's core concept of fit suggests that a proper alignment among internal and external factors positively affects organizational performance.

Contingency theory proposes that an organization's performance is determined by the fit between its resources, structure, and strategies on the one hand and the external environmental conditions on the other (for example, political, economic, social, technological). A core concept in contingency theory is fit. Fitness is viewed as a match between the organization's characteristics and the characteristics of the environments around them.

At the heart of the theory is the assumption of equifinality, that is, that there are many different ways to achieve performance and that the right way depends upon the conditions in the environment of the firm in question (Lawrence & Lorsch, 1967). This also implies that a one-size-fits-all approach to strategy is doomed to fail.

Entrepreneurship researchers have found support for contingency theory in new ventures too. For instance, Chowdhury (2011) finds that new ventures dealing with complex customer environments should avoid high formalization levels compared to those facing simpler customer environments. Similarly, Shepherd, Wennberg, Suddaby and Wiklund (2019) demonstrated that CEOs with an entrepreneurial orientation lead firms to greater success in dynamic environments with low capital availability.

A contingency theory perspective of this kind suggests that the direction and strength of the EO-performance relationship might be influenced by market turbulence Luthans and Stewart, (1977). Besides the direct effect of EO on business performance, innovativeness, risk-taking, and proactiveness was positively related to the business performance of SMEs in environments where the uncertainty caused by acute market turbulence is high. This expectation is consistent with prior research that has associated

EO with superior business performance in hostile environments as opposed to benign environments. For example, Covin and Slevin (1989) found that EO was not directly related to firm performance, but only the interaction term with the environment; Miller (1988) found that in an uncertain environment, innovation was positively related to business performance; and Zahra's (1993) empirical research found a strong positive relationship between business performance and entrepreneurship in firms operating in dynamic growth environments.

2.2.2 Discovery Theory

The discovery theory developed by Mises (1996) guided the study. Discovery theory maintains that opportunities exist objectively independent of entrepreneurs. In discovery theory, competitive imperfections are assumed to arise exogenously from changes in technology, consumer preferences, or other attributes of the context within which an industry or market exists. Technological, political, regulatory, social, and demographic changes can disrupt the competitive equilibrium in a market or industry, thereby forming opportunities. This emphasis on exogenous shocks forming opportunities has several important implications for discovery theory. Discovery theory is predominantly about search – systematically scanning the environment to discover opportunities to produce new products or services. In this search process, entrepreneurs consider both its direction and duration and must also guard against confusing local search where modest opportunities to produce new products or services exist with more global search where much more substantial opportunities exist (Alvarez & Barney, 2007).

The assumption made by discovery theory concerning the nature of entrepreneurs follows directly from its assumption about the nature of opportunities. Since exogenous

shocks create opportunities for an industry or market, since these opportunities are objective and, thus, in principle, observable, everyone associated with that industry or market should be aware of the opportunities a shock has created. In a setting where everyone could become aware of and exploit an opportunity, it would be difficult for anyone to generate sufficient profits from producing new products or services. Thus, in order to explain why entrepreneurs associated with an industry or market are willing and able to exploit opportunities while non-entrepreneurs are not, discovery theory must necessarily assume that entrepreneurs who discover opportunities are significantly different from others in their ability to either see opportunities or, once they are seen, to exploit these opportunities (Eckhardt & Shane, 2003). Boh and Christopoulos (2021) summarizes the differences between entrepreneurs and non-entrepreneurs with the concept of ‘alertness.’ Many potential alertness components include information asymmetries, different risk preferences, and cognitive differences (Shane et al., 2003). Any of these attributes, or any combination, might lead some entrepreneurs associated with an industry or market to become aware of opportunities created by exogenous shocks. In contrast, others associated with that same industry or market may remain ignorant of these opportunities.

The decision-making context in discovery theory is risky because it assumes that opportunities are objective. As objective phenomena, entrepreneurs can use a variety of data collection and analysis techniques to understand the possible outcomes associated with an opportunity, along with the probability of those outcomes. It may take some time and effort to complete these analyses, but, in principle, they can be done when an opportunity is an objective. Therefore, the theory applies to the study since risk-taking associated with innovation has a particularly strong positive relationship with business performance, consistent with innovation being a driver of growth and

profitability. More proactive firms tend to take on more risk and thus also perform better than less proactive firms.

2.2.3 Schumpeter's Innovation Theory

Joseph Alois Schumpeter developed Schumpeter's innovation theory in 1942. Although since the late 1880s, there have been reports of the use of the term "innovation" to mean something unusual, none of the first precursors of innovation has been as influential as Schumpeter (Schumpeter, 1942). According to Schumpeter, consumer preferences are already given and do not undergo spontaneously. It means that they cannot because of the economic change. Moreover, consumers in the process of economic development play a passive role.

In the theory of economic development, Schumpeter described the development as a historical process of structural changes substantially driven by innovation which was divided by him into five types. The first one is launching a new product or a new species of an already-known product. The second one is the application of new methods of production or sales of a product (not yet proven in the industry) (Schumpeter, Harris, & Haberler, 1943). The third one is opening a new market (the market for which a branch of the industry still needs to be represented). The fourth one is acquiring new sources of supply of raw materials or semi-finished goods, and the fifth one is a new industry structure, such as creating or destroying a monopoly position (Wright, 1950). Schumpeter argued that anyone seeking profits must innovate. That caused the other employees of the economic system's existing supplies of productive means (Carlin, 1956). Schumpeter believed that innovation is an essential driver of competitiveness and economic dynamics (Śledzik, 2013). The theory believed that innovation is the

center of economic change, causing gales of “creative destruction”, a term created by Schumpeter in *Capitalism, Socialism, and Democracy*.

In Schumpeter’s theory, the possibility and activity of entrepreneurs, drawing upon the discoveries of scientists and inventors, create new opportunities for investment, growth, and employment. In this study, this theory is used to explain the entrepreneurial innovativeness of the entrepreneurs. Entrepreneurship goes hand-in-hand with innovation, the ability to produce new ideas, new technologies, value addition, better solutions, and pioneer new products. The most successful entrepreneurs are not simply the hardest working; they are the most innovative by developing new technologies, products and services and working towards value addition (Ziemnowicz, 1942). This theory explains the effect of innovativeness on business performance.

2.2.4 Dynamic Capabilities Theory

The Dynamic capabilities theory, developed by Teece and Pisano in 1994, guided this study. The theory arose due to the resource-based view’s (RBV) incapacity to interpret the development and redevelopment of resources and capabilities in response to quickly changing contexts. Dynamic capabilities theory goes beyond the idea that sustainable competitive advantage is based on a firm’s acquisition of valuable, rare, inimitable, and non-substitutable (VRIN) resources. Organizations’ dynamic capabilities enable them to integrate, marshal, and rearrange their resources and abilities to adapt to quickly changing circumstances. Dynamic capabilities theory (DCTs) is thus a method that allows a company to rethink its strategy and resources to create long-term competitive advantages and greater performance in rapidly changing contexts.

The lack of dynamic capabilities prohibited the firm from maintaining its competitive advantage, especially in the changing environment (Gnizy, Baker, & Grinstein, 2014).

Dynamic capabilities theory indicates the ability of the firm to combine, develop and reconfigure external and internal expertise to respond to a speedily changing environment through the process of using resources to create new resources that can create market change. The market changes when the market is evolving, emerging, split, or even dying. Apart from that, dynamic capabilities result from the alteration of resources that have been acquired, integrated and recombined, which develop new creation of strategies. There is a direct relationship between firm business performance and dynamic capabilities. If the firm has no dynamic capability in the changing environment, superiority and survival remain temporary. This has been supported by Teece (2007), whereby the development of dynamic capabilities is to identify the sources of a firm's competitive advantage at the enterprise level, and the firm success or failure determines it.

The theory was relevant to the study since the dynamic capabilities perspective focuses on the 'subset of the competencies/capabilities which allowed the entrepreneurs to create new products and processes and respond to changing market circumstances' (Teece & Pisano, 1994). The DCP emphasizes dynamism by focusing on firms' capabilities to reconfigure, respond and evolve in response to changing conditions rather than on capabilities that allow for the maintenance of existing resources and competencies (Teece, 2018). Even if organizations have resources, competitive advantage will not be sustainable if they do not have the processes necessary to identify, seize and reconfigure resources to pursue new opportunities and adapt to shifting environments (Eisenhardt & Martin, 2000).

Dynamic capabilities allow firms to sense and seize opportunities by acquiring and rearranging resources, which is accomplished by fine-tuning existing competencies or

creating new ones (Harreld, O'Reilly, & Tushman, 2007). Dynamic entrepreneurship is based on the framework of the theory of growth, by models and factors of development divided into the environmental and internal ones (the enterprise and entrepreneur), the motivation for growth (and harvest), the strategies of growth, as well as by the management systems and development of the organization of the enterprise. In the long run, growth stands for profit that is the harvest for the entrepreneur who has identified and seized a market opportunity and developed, based on their clear vision and harvest expectation, a proactive strategy of growth and organization throughout all organizational stages up to the corporate entrepreneurship (Pšeničny, Jakopin, Vukčević & Čorić, 2014).

Dynamic capability is a theory of competitive advantage in rapidly changing environments. The major components of dynamic capabilities are adaptive, absorptive, and innovative capabilities. They support a company's ability to integrate, transform, renew and rebuild its competencies and resources and are common to all companies. Three types of managerial activities can make a capability dynamic: sensing (which means identifying and assessing opportunities outside your company), seizing (mobilizing your resources to capture value from those opportunities), and transforming (continuous renewal)

Dynamic enterprises are led by dynamic entrepreneurs who create change and affect the environment, are innovative and successful in the long run, measured by financial and non-financial indices, and whose business strategies are competitiveness, internationalization, and globalization. Dynamic enterprises can be found in all developmental stages of an enterprise, not only in the so-called growth stage. The long-term growth is related to and depends on the assertion of leadership professionalization

and the development of an entrepreneurial and managerial team, as well as on an advanced, professional organizational structure tailored to the nature of the business. Underlying dynamic enterprise leadership is the understanding and awareness of the management techniques of a growing enterprise, which means that we cannot expect the most dynamic enterprises to be led by individual entrepreneurs, but by strong entrepreneurial and management teams, under the leadership of an influential entrepreneur or an entrepreneurial manager, who need not necessarily be the founder of the enterprise.

2.3 Empirical Review

2.3.1 Innovativeness on Business Performance of Small and Medium Enterprises

Desta (2015) reviewed the entrepreneurial orientation's performance relationship: a South African small business perspective. This study aimed to investigate the relationship between entrepreneurially orientated strategies implemented by small businesses in the Eastern Cape and the influence of these strategies on business performance. A measuring instrument was developed based on valid and reliable items. Statistical techniques, including descriptive statistics, Pearson's product-moment correlations, and structural equation modeling, were performed on data gathered from 317 small business enterprises. This study showed that smaller businesses implement the strategies of proactive innovativeness, competitive aggressiveness, and autonomy, and the less risk-taking their strategies are, the more likely their businesses are to be successful.

El Gendi and Clark (2018) investigated the interplay between customer orientation, innovation, and business performance in the Alpine hospitality industry. The study contributes to current innovation research by jointly investigating hotel innovativeness

and innovation behavior as two distinct dimensions of the innovation concept. Analyzing data from 203 hotel managers, this study shows that the effect of hotels' customer orientation exceeds that of innovativeness and innovation behavior on financial and non-financial business performance. Mediation analysis shows that innovation behaviorally mediates the effect of customer orientation on business performance. The study results provide hotel management with relevant insights into the customer orientation innovation performance chain.

Tsai and Yang (2014) investigated how the interaction between market turbulence and competitive intensity moderates the relationship between firm innovativeness and business performance. Researchers used survey data from a sample of 154 high-tech manufacturing firms in Taiwan and employed hierarchical moderated regression analysis to test the hypotheses developed. The results reveal that the effect of firm innovativeness on business performance varies across the different configurations of market turbulence and competitive intensity. Specifically, the performance effect of firm innovativeness is most positive under high market turbulence and highly competitive intensity; the performance effect is least positive under low market turbulence and low, competitive intensity. However, the performance benefits of firm innovativeness only materialize under low market turbulence and highly competitive intensity. Overall, these findings highlight that market turbulence and competition jointly influence the direction and strength of the performance effect of firm innovativeness.

Kocak, Carsrud, and Oflazoglu (2017) examined the effect of entrepreneurial innovativeness on firm performance and the moderating effector of the relationship between entrepreneurial innovativeness and firm performance. The study was guided

by the Resource Based View (RBV), Contingency Theory, theories of entrepreneurship, and the marketing concept. It adopted an explanatory research design using a survey of all the top 600 med-sized firms in Kenya between 2006 and 2013. Actual participating firms were 536, with responses obtained from 394 firms. Data was collected using a questionnaire and analyzed using descriptive statistics, Pearson's bivariate correlation, multiple regression, and moderated regression analysis. Results revealed that entrepreneurial innovativeness has a direct positive relationship with the performance of mid-sized firms. In addition, market orientation had no significant moderating effect on the relationship between entrepreneurial innovativeness and firm performance. The current study will try to better understand Eoin boosting firms' innovativeness and superior performance.

Riel, Semeijn, Hammadi, and Henseler (2015) evaluated technology-based service proposal screening and decision-making effectiveness for small businesses. Reviewing literature regarding service innovation, new product screening, and decision-making under uncertainty, we identify antecedents of decision-making effectiveness in the TBS screening stage. Hypotheses are developed and tested with data from 251 TBS innovation projects. The authors demonstrated the importance of decision-making team composition, information used and decision perspective for innovation success. Decision-maker experience and perspective mediate the effects of team composition.

2.3.2 Risk-Taking on Business Performance of Small and Medium Enterprises

Chelagat and Ruto (2014) examined the relationship between entrepreneurial intensity and the performance of small and medium enterprises in Eldoret town, Uasin Gishu County, Kenya. Informed by the study, they explored the influence of risk-taking on the performance of small and medium enterprises in Eldoret town. The study adopted

an ex-post fact of research design. It targeted all the small and medium enterprises in Eldoret town. A systematic sampling technique was adopted to select a sample of 100 SME owners/managers involved in the study. The collected data were analyzed using both descriptive and inferential statistics. Descriptive statistics were presented in percentages, frequencies, pie charts, and graphs. Pearson correlation was employed to test the hypotheses of the study. The study established a strong positive correlation between risk-taking and business performance of small and medium enterprises in Eldoret Town, Uasin Gishu County, Kenya. Therefore, committing business resources to venture into uncertain and unfamiliar environments could result in increased returns and market share for the business.

Hudakova, Bugarova, Dvorsky, Belas, and Dana (2015) analyzed the risk of small and medium enterprises in the Czech Republic and Slovakia in the context of entrepreneurial optimism. In 2013, research on entrepreneurs' opinions in the Zilina Region (Czech Republic) and Žilina Region (Slovakia) was conducted. These regions have similar economic parameters and are separated by only a few miles. According to our research, it can be stated that during the period of the financial crisis, the situation in the SME business deteriorated significantly with declining performance and profitability of Czech and Slovak small and medium enterprises. The most important business risk is still a market risk, followed by financial and eventually personal risk. Our research showed that the profitability of Czech and Slovak small and medium enterprises decreased by 15%. Despite these facts, the level of entrepreneurial optimism among SMEs in the selected Czech Republic and Slovakia regions is very high.

Olaniran, Namusonge, and Muturi (2016) studied the relationship between risk-taking and the performance of small and medium enterprises in Nigeria. On average, the

study's findings revealed that most respondents agreed with the statements on risk-taking, as shown by a mean of 3.68. The responses given by the respondents varied, as indicated by a standard deviation of 1.30. The study also recommends that small and medium enterprises borrow heavily to invest in new business products, technologies, markets and services. Moreover, the study recommends that small and medium enterprises employ a bold and open-minded approach to achieve business goals.

Fairoz, Hirobumi, and Tanaka (2015) investigated the degree of entrepreneurial orientations (EO) of twenty-five manufacturing small, medium scale enterprises (Small and medium enterprises) in Hambantota District, Sri Lanka (HDSL) and the effects of EO dimensions, including pro-activeness, innovativeness, and risk-taking to business performance. Interviews were used as the main instrument for data collection. Qualitative and quantitative techniques were applied for data analysis. Findings showed that about 52% of small and medium enterprises in HDSL represented a moderate level of EO. Pro-activeness, innovativeness, risk-taking, and overall EO were significantly correlated with market share growth. Results further indicated positive correlations between pro-activeness and EO with business performance. The current study was done in Kenya.

Kapaya, Shayo, Jansson, and Stanislaus (2018) reviewed the role of entrepreneurial orientations on business performance: empirical evidence from selected Tanzanian SMEs. This study was conducted in Dares Salaam, employing a sample of 143 Small and medium enterprises. Structural Equation Modeling (SEM) was applied to fit the model, where EO dimensions were independent variables and small and medium enterprises' performance was the dependent variable. The study gleaned the following; first, EO plays a crucial role in influencing profitability, particularly autonomy was

negatively related to performance, suggesting that personnel tend to underperform when given sufficient freedom to act. The relationship to performance for the other dimensions of EO was positive. The current study will relate how EO exhibits a possibility of multidimensionality based on risk-taking blended into these prior dimensions' autonomy embedded within aggressiveness.

Aryal (2016) studied the handicraft industry's entrepreneurial orientations and business performance: a study of Nepalese Handicraft Enterprises. This study examined the role of entrepreneurial orientations in the business performance of handicraft enterprises in Nepal. The study is conducted among the Federation of Handicraft Associations members of Nepal. Guided by the post-positivistic paradigm, this study examines the effect of five EO dimensions on handicraft business performance. A simple random sample was employed among 397 populations, and 196 respondents were asked to respond to the survey questionnaire. Out of 178 responded people, only 161 were found usable. The findings of correlation and regression represent that autonomy, risk-taking, pro-activeness and competitive aggressiveness were positively correlated with business performance. However, innovativeness did not correlate with the business performance of handicraft enterprises in Nepal. Further, autonomy and competitive aggressiveness dimensions of entrepreneurial orientations were found only the contributors in the handicraft business.

2.3.3 Pro-Activeness on Business Performance of Small and Medium Enterprises

Firms characterized by pro-activeness initiate actions that competitors must react to, leading the way in products and services. Samson (2015) investigated the impact of entrepreneurial export orientation on the performance of small and medium enterprises in Nigeria. The study follows a quantitative research design using survey methods with

statistical treatment. Several tests and correlation tests were used to ascertain whether differences exist between proactive export orientation and conservative export orientation and performance. The findings indicate that proactive entrepreneurs were more engaged in the export market than conservatives. The findings also suggest that firms that adopted a proactive orientation achieved higher performance, profitability, and growth than those that adopted a conservative orientation. It was also found that proactive entrepreneurs allocated more financial resources for export activities than conservative entrepreneurs. The researchers offered practical suggestions on how small and medium enterprises can improve growth, performance, and profitability by engaging in proactive export orientation behaviors.

The study by Hughes, Eggers, Kraus, and Hughes (2015) established how firms might redress the resource absorption effects of EO to enhance firm performance. From a sample of 607 German small and medium enterprises, the results suggest that slack resource availability positively influences EO, networking effectiveness partially mediates the relationship between EO and firm performance, and the firm performance achieved to date positively influences slack resource availability. The researchers concluded that the firm's pro-activeness contributes new knowledge to understand the resource absorption effects. Resource refueling needs to be contained within the EO–performance relationship hitherto ignored consideration.

Wu and Parker (2017) studied the role of leader support in facilitating proactive work behavior. A model of business performance was developed with motivational resources (locus of control, self-efficacy, achievement motivation, and self-reported personal Proactiveness) and cognitive resources (cognitive ability and human capital) as independent variables; business owners elaborate and proactive planning as a mediator,

and business size and growth as dependent variables. Three studies with 408 African micro and small-scale business owners were conducted in South Africa, Zimbabwe, and Namibia. Structural equation analyses partially supported the hypotheses on the importance of psychological planning by business owners. Elaborate and proactive planning was substantially related to business size and an external evaluation of business performance. It was a (partial) mediator for the relationship between cognitive resources and business performance. The model carries important implications for business owners' selection, training, and coaching.

Pezzulo and Ognibene (2014) evaluated the cumulative knowledge of the relationship between EO and business performance. Extending beyond qualitative assessment, we undertook a meta-analysis exploring the magnitude of the EO-performance relationship and assessed potential moderators affecting this relationship. Analyses of 53 samples from 51 studies with an N of 14,259 companies indicated that the correlation of EO with performance is moderately large ($r = .242$) and that this relationship is robust to different operationalization of key constructs as well as cultural contexts. Internal and environmental moderators were identified, and results suggest that additional moderators should be assessed.

2.3.4 Competitive Aggressiveness on Business Performance of Small and Medium Enterprises

Zeebaree and Siron (2017) evaluated the impact of entrepreneurial orientations on competitive advantage moderated by financing support in small and medium enterprises. This study aims to examine the relationship between entrepreneurial orientations and competitive advantage (CMA) and investigate the moderated role of financial support (FNC) between the influences of entrepreneurial orientations on

CMA. This study adopted a quantitative approach using survey instruments. The targeted sample size was 680 from a total manager population of 3526 Small and medium enterprises working in the Kurdistan Region Government (KRG) in Iraq. The total number of usable questionnaires was 580. Structural equation modeling was employed to examine the relationship among the variables. The statistical result showed that entrepreneurial orientations significantly influenced CMA. The results also highlight that FNC had a moderated role in the relationship between entrepreneurial orientations and CMA in small and medium enterprises in Iraqi KRG.

Aziz, Mahmood, Tajudin, and Abdullah (2014) did a study on entrepreneurial orientations and business performance of women-owned small and medium enterprises in Malaysia. This research aimed to examine the mediating effect of competitive advantage on the relationship between entrepreneurial orientations and business performance of women-owned small and medium enterprises in Malaysia. It proposed a quantitative analysis in which entrepreneurial orientations and sources of competitive advantage are key success factors of small and medium enterprises. Data were collected using a mail survey questionnaire completed by women owner-managers randomly selected from a sampling frame of registered small and medium enterprises. The findings revealed that significant relationships exist between entrepreneurial orientations and performance, while competitive advantage partially mediated the entrepreneurial orientations and performance relationships. These findings can help the women owners/managers of small and medium enterprises to be more entrepreneurial-oriented and develop a competitive edge for them to survive the intensely competitive market environment.

Competitive aggressiveness is regarded as one of the appropriate business orientations for firms in sectors like construction. Abdullahi, Kunya, Bustani, and Usman (2019) examined the level of adoption of competitive aggressiveness orientation and its impact on the performance of small and medium enterprises in Nigeria. Using a quantitative approach, data was obtained from a sample of 139 Owners/CEOs and top managers of Nigerian small and medium enterprises via a cross-sectional questionnaire survey. Data were analyzed using SPSS and Structural Equation Modeling (SEM) using SMART PLS 3.0 to test the hypothesized relationship between the studied constructs. The finding shows a significant adoption of competitive aggressiveness orientation among the studied samples. A positive and significant relationship was also established between competitive aggressiveness and the financial performance of the small and medium enterprises in the study. It was concluded from the study that competitive, aggressive impacts positively on the financial performance of Nigerian small and medium enterprises. Therefore, it was recommended that construction firms adopt and encourage a competitive, aggressive approach in decision-making to boost their performance and maintain relevance in the construction industry.

Kljucnikov, Belas, Kozubikova, and Pasekova (2016) revealed some significant specifics within the relationships among gender, race and competitive aggressiveness in the field of small and medium enterprises. Statistically significant differences between the designated social groups were compared through Pearson statistics at the significance level of 5%. According to our results, since male and higher educated managers are more intensively inclined to the Pro activeness to the realization of riskier projects and aggressiveness against competitor's management, entrepreneurially oriented companies should include these types of team members to formulate riskier and more competitively aggressive strategies. Companies which operate in the market

for more than ten years have positive attitudes and the need for risk and aggressive behaviour towards their competitors.

2.3.5 Autonomy of Business Performance on Small and Medium Enterprises.

Yu, Lumpkin, Praveen Parboteeah, and Stambaugh (2019) studied autonomy and family business performance: The combined effect of environmental dynamism and national culture. The study found that in dynamic environments, autonomy is associated with improved performance in the United States, while in Taiwan, firms in dynamic environments fared worse with increasing autonomy. Gelderen (2016) focused on entrepreneurial autonomy and its dynamics. Founding and owning an independent business automatically gives the owner/founder autonomy. Autonomy-motivated entrepreneurs must often make an effort to achieve and maintain autonomy. The results indicate that whether a business owner actively experiences autonomy is best assessed by asking for the degree of decisional freedom he or she currently enjoys and whether that degree of freedom is chosen voluntarily. Customers regularly represent challenges to autonomy, whereas business partners are often seen to enhance it (Hulse, Xie & Galea, 2018). The results reveal various autonomy dynamics, showing movements between currently exercised, temporarily sacrificed, and involuntarily lost decisional freedoms. These movements are influenced by a range of factors, including the importance of particular customers or assignments, the phase in the business life cycle, and the business's financial performance (Grewatsch & Kleindienst, 2017).

Although autonomy is a primary motivator for entrepreneurs, there needs to be more entrepreneurship research on the fulfillment of the autonomy motive. It is partly due to an overemphasis on financial performance at the expense of subjective outcomes (Gielnik, Frese, Bischoff, Muhangi & Omoo, 2016) and partly due to the assumption

that owners of independent businesses have autonomy automatically. Johari, Ta and Zulkarnain (2018) focused on autonomy, workload, work-life balance, and job performance among teachers. This study adopted a quantitative approach to address the research objectives. Based on the statistical analyses, the findings reported that autonomy and work-life balance significantly impacted respondents' job performance. Workload, on the other hand, had no substantial bearing on job performance among school teachers in this study.

Job autonomy is viewed as a degree to which the job provides individuals with freedom, independence, and discretion in work scheduling, decision-making, and work methods (De Spiegelaere, Van Gyes & Van Hootegem, 2016). Autonomous work, a core feature of startups, is associated with positive subjective well-being and can counter the negative aspects of startups, such as increased workload. Gelderen (2016) reported that business owners may start by experiencing high levels of job autonomy but may be reduced at certain points due to competing interests with other stakeholders (for example, suppliers and business partners). However, Van Gelderen's study did not track the autonomy of business owners/managers over time and consequently did not empirically capture the dynamic patterns of job autonomy or its consequences.

The integration of subsidiaries' strategic decision-making rights by headquarters is to realize the synergy effect of business groups. However, subsidiaries with a considerable degree of autonomy can maximize their entrepreneurial capabilities (Kawai, Strange & Zucchella, 2018). Operationally, autonomous subsidiaries might make their own decisions to cooperate with external firms, but most of those decisions are in the operational area rather than the strategic one (Chen & Zheng, 2018). In addition, as legally independent firms, a considerable degree of operational autonomy will facilitate

subsidiaries to realize corporatization and turn them into market-oriented firms like western corporations (Chen & Zheng, 2018). The lower the ratio of subsidiary executives working concurrently in headquarters, the more operational autonomy the subsidiaries will have. A high level of operational autonomy means that subsidiary executives win the trust and recognition of headquarters (Geleilate, Andrews & Fainshmidt, 2020), which helps to foster subsidiary executives' capability of managing subsidiaries efficiently.

Dada (2018) argued that operational autonomy allowed employees to resolve problems in their ways and fostered their intrinsic motivation and creativity. The lower the ratio of subsidiary executives working in the headquarters, the higher relevance between the knowledge and competencies created by autonomous subsidiaries and the subsidiary, which will ultimately benefit the subsidiary's performance. Although operational autonomy can increase agency problems of headquarters-subsidiary, subsidiary executives must do their best to fulfill the strategic goals under the risk of dismissal. Yang et al., 2015 argued that even if the opportunism behaviors of subsidiaries occur during the operational process, the impact of this agency problem on the headquarters is not crucial. Therefore, the positive effect of high operational autonomy on subsidiary performance exceeds the associated cost.

Additionally, a high level of operational autonomy may allow subsidiaries to gain external resources unavailable within business groups. Close relationships between subsidiaries and external stakeholders (local customers, manufacturers, retailers, etc.) ensure subsidiaries can survive by having access to external resources, ultimately improving the subsidiary's performance (Tsai, 2022). Subsidiaries with high operational autonomy have more opportunities to learn from the external environment

to improve innovation performance and expand the market scope. Muecke and Iseke (2019) studied how job autonomy influences business performance, a Meta-analytic test of theoretical mechanisms. The study results revealed that job autonomy led to better job business performance, mainly by enhancing work motivation and reducing mental strain. Work motivation was most strongly enhanced by decision-making autonomy but diminished by scheduling autonomy. The strain-reducing effects were stronger for decision-making and method autonomy than scheduling autonomy. Moreover, preliminary evidence indicates that core self-evaluations mediated the effects of job autonomy dimensions on work motivation and mental strain.

2.3.6 Moderating Effect of Financial Capital Access on Relationship between Entrepreneurial Orientation on Business Performance

Beck, Degryse, De Haas and Van Horen (2018) examined cross-border banking, credit access, and the financial crisis the study the sensitivity of credit supply to bank financial conditions in 16 emerging European countries before and during the financial crisis. The study relied on survey data from 10,701 applicant and non-applicant firms to separate effects caused by positive and negative banking system shocks from demand shocks that differed across lenders. Changes in the financial conditions of firms' banks were found to impact their access to credit significantly. Firms dealing with banks that suffered a drop in equity and Tier 1 resources, as well as losses on financial assets, became more credit limited during the crisis. It was also discovered that credit availability represents the financial health of international parent banks. Positive and negative shocks to a bank impact riskier firms and firms with fewer assets. However, the study focused on the financial crisis, while the current study majored on financial capital access.

Aldén and Hammarstedt (2016) assessed discrimination in the Credit Market. Access to Financial Capital among Self-employed Immigrants the results from a unique combination of survey and register data on access to financial resources were presented among immigrants working as self-employed in private businesses in Sweden's retail, trade, and service sectors. This is the first research to examine discrimination against self-employed immigrants in a credit market outside the United States. The findings show that non-European immigrants see access to financial resources as a greater impediment to self-employment than native Swedes and European immigrants. Non-European immigrants who work for themselves report more prejudice from banks, vendors, and consumers than natives and immigrants from Europe. Immigrant-owned companies apply for bank loans more often than native-owned businesses. Non-European immigrants, in particular, are more likely than natives to be refused a loan and often pay higher interest rates on their bank loans. The findings stand up to a variety of robustness tests. This obstacle may be one explanation for the high exit rates from self-employment among immigrants, a finding that has been documented in several countries, including Sweden. Nevertheless, the study focused on European countries, and other studies on Kenya must be done.

Aldén and Hammarstedt (2016) discussed discrimination in the Credit Market Access to Financial Capital among Self-employed Immigrants. In recent years, there has been a substantial increase in literature acknowledging the value of rural credit in developing countries. On the other hand, previous analysis has largely concluded that credit has a uniform effect on recipients. This study adds to the body of knowledge by analyzing the effects of credit on various groups of access households in Vietnam, defined by relative poverty, loan volumes, access to agricultural extension services, and ethnicity. The data for this study came from the Vietnam Access Resources Household Survey in

2012, which included 1338 households. The distribution for the effect estimator is further built by applying the bootstrapping method to Propensity Score Matching to improve the efficiency of estimation steps. The findings indicate that credit access has different effects on different recipient groups. Even though credit positively impacts nonfarm income, it does not affect farm income, except for those who have a farm and more annual visits to agricultural extension. Although credit significantly affects the Kinh majority's total income, per capita income, and nonfarm income, it has little or no impact on ethnic minorities' income components. Credit has a substantial positive effect on the household income of the better-off, the wealthiest, and others who receive large amounts of credit. Results imply that households favorable agreeable economic conditions tend to benefit from accessing rural credit. However, the study did not say the data collection method, and the current study brought the data collection method, which is the interview.

Casey (2014) examined critical connections: The importance of community-based organizations and social capital to credit access for low-wealth entrepreneurs. The authors argue that funding community-based organizations enable vital credit access for low-income entrepreneurs. The effects of government, bank, and community-based organization funding are assessed using data from the Panel Survey of Entrepreneurial Dynamics II (PSED II) on nascent firms engaged in startup efforts in the United States in 2005. The findings show that government assistance to entrepreneurs has a favorable overall effect. On the other hand, support from community-based organizations greatly improves access to credit for startup activities by low-wealth entrepreneurs. Nevertheless, the study did not show the method used to analyze the data, while the current study will reveal the method used.

Lashitew (2014) assessed the effect of political connections on credit access: does the level of financial development matter? While mounting evidence shows that political ties influence firm results, little is known about how institutional factors influence the mechanism. The impact of political ties on credit access, as well as the role of financial growth in moderating the relationship between the two, is investigated in this report. The research is focused on a one-of-a-kind manufacturing firm dataset that spans hundreds of developed and transitional economies. The findings indicate that political clout, as calculated by the amount of time senior executives spend with government officials, has a substantial positive impact on credit availability. Using the dataset's cross-country dimension, I show that the impact of political ties is stronger in countries with a more concentrated banking sector and a higher net interest margin.

Furthermore, in countries with credit information exchange systems, the impact of political ties is reduced. These results suggest that a competitive banking sector improves the efficiency of credit allocation by reducing politically motivated lending. Nevertheless, the study did not bring out the targeted population for the study, while the current study will bring out the targeted population.

Ogubazghi and Muturi (2014) discussed the effect of the age and educational level of owners/managers on SMMEs' access to a bank loan in Eritrea. The overall goal of this research was to determine the impact of owner/manager characteristics on small and medium enterprises' ability to obtain bank loans. A proportionate systematic sampling approach was used to select 87 small and medium manufacturing enterprises from the Asmara region. The researcher obtained accurate primary data using semi structured and organized questionnaires that he administered. The data were analyzed using descriptive and econometric statistical analysis techniques. Using logistic regression,

the researchers discovered that the owner/age managers substantially impact SMMEs' ability to obtain a bank loan. On the other hand, the owner's or manager's educational degree has little bearing on the ability to obtain a bank loan. Both factors have a positive impact on SMMEs' ability to obtain financing. However, the study was done in Eritrea, and other studies need to be done in Kenya.

Butler and Cornaggia (2011) discussed whether access to external finance improves productivity has evidenced by a natural research. A clear recognition of the causal impact of access to finance on productivity is an important contribution to the literature. We use an exogenous change in demand for a commodity to show how producers adjust their output in the face of varying levels of financial access. The study used a triple differences research method and discovered that output increases the most over the sample period in areas with relatively good financial access, even when compared to a control group. This finding is statistically significant and resistant to a wide range of controls, alternative variables, and research. The causal effect of access to finance on productivity that we find speaks to the larger role of finance in economic growth. Nevertheless, the study employed triple differences testing approach, while the current study used a stratified sampling technique.

Since the financial crisis, Lee, Sameen, and Cowling (2015) examined the access to finance for innovative small and medium enterprises. Following the financial crisis of 2008, there has been a renewed emphasis on small businesses' access to capital. Before the recession, research suggested that creative businesses had a tougher time obtaining financing. Despite this, studies have yet to look into the impact of the crisis on creative businesses. This study fills in the gaps using a sample of over 10,000 UK SME employers. It was found that innovative firms are more likely to be turned down for

finance than other firms, and this worsened significantly during the crisis. Except for absolute credit rationing, which remains more extreme for innovative firms, regressions adjusting for various company characteristics show that the deterioration in general credit conditions has been more pronounced for non-innovative firms. The findings show that the financial system has two problems. The second is a cyclical problem caused by the financial crisis, impacting relatively more severely non-innovative firms. However, the study was done U.K., and other studies need to be done in Kenya.

Ramlogan, Rigby, (2012) examined access to finance: Impacts of publicly supported venture capital and loan guarantees. The government's efforts to provide businesses with access to capital are examined in this report. This group includes programs that offer real financial aid to companies, such as financial assistance or subsidies. Publicly funded venture capital and government-backed loan guarantees are the two policy Proactiveness being discussed. The study starts with a summary of the types of policy interventions discussed in section two, accompanied by an overview of the scope of sources and information reviewed in section three. In general, assessments of these tests have been found to use various methods to evaluate results, some of which are descriptive, some of which involve comparisons. However, only some attain the level that can control for the selection bias effects that would help to measure the net impacts of policy. Nevertheless, the study did not bring out the method used in data analysis, while the current study clarified the method used in data analysis.

Ngek (2016) discussed the performance implications of financial capital availability on the financial literacy–performance nexus in South Africa. In small and medium enterprises making the best financial decisions is critical, particularly because most small and medium enterprises are often financially constrained. As a result, researchers

are increasingly interested in determining how well financial literacy skills can help entrepreneurs make decisions that result in optimal financial results and improve their companies' success and development. This study aimed to determine the impact of financial literacy on firm performance and investigate the moderating effect of financial capital availability on the financial literacy performance relationship among small and medium enterprises in South Africa's Free State province. The findings revealed that, on average, small businesses have low financial literacy and financial capital availability. Financial literacy was also found to positively impact SME efficiency, with the relationship being positively moderated by financial capital availability. As a result, developing financial literacy skills as an integral part of entrepreneurial activities is needed for SME owners. Likewise, since businesses rely on financial capital to invest, develop and grow, policymakers should put measures to bridge the access to finance gap and, thus, ensure that entrepreneurs are relieved from financing constraints. Nevertheless, the study was done in South Africa, and other studies need to be done in Kenya.

Coleman, Henry, Orser, Foss, and Welter (2019) assessed policy support for women entrepreneurs' access to financial capital. This cross-country analysis examines policies and activities in Canada, Germany, Ireland, Norway, and the United States to increase women entrepreneurs' access to financial resources. Using feminist theory, researchers looked at policy assumptions, eligibility requirements, laws, and regulations. Four of the five countries studied had policies based on a neoliberal viewpoint that views women entrepreneurs as economic assets, according to the results. It provided insight into how to modernize policies and practices to expand the credibility of a broader range of women entrepreneurs and their access to financial resources. However, the study

focused on women entrepreneurs, during the current study generalized on just entrepreneurs.

Bates and Robb (2013) discussed that greater access to capital is needed to unleash minority-owned businesses' local economic development potential. Minority business enterprises (MBEs) cannot achieve profitability, build new opportunities, and, in general, fulfill their full potential to contribute to the economic growth of the communities and regions in which they work due to a lack of access to capital. Even though MBEs rely on financial institutions for loans more than all other borrowing sources combined, they pay higher borrowing rates, receive smaller loans, and have their loan applications denied more often than White companies. These borrowing concerns are exacerbated for MBEs in minority communities. It is time to take action. The federal government should prosecute financial entities that discriminate against MBEs because of borrower ethnicity. When selecting local banks to do business with, local governments can help by considering bank lending operations in local minority communities. Public-sector clients must pay MBE vendor invoices on time.

Middelhoff, Mauer, and Brettel (2014) examined antecedents of entrepreneurs' trust in their investors in the post-investment phase to do something good. This research examines the role of character and actions in influencing entrepreneurs' confidence in their investors after they have invested. This study decomposes antecedents of entrepreneurs' trust and helps to explain further the entrepreneur–investor relationship by incorporating existing principles from trust literature. The study also contributes to the field of research by exploring trust in a nonhierarchical relationship and investigating the interaction of procedural justice and perceived trustworthiness. According to a survey of 104 German entrepreneurs, entrepreneurs' confidence is

motivated by their perceptions of investors' capacity, competence, and benevolence. According to a moderation study, interaction frequency has different results when combined with benevolence and honesty. In our model, procedural justice does not have a significant relationship with trust, contrary to some previous findings. Investors should be aware of the strong and positive influence that the affective factor of benevolence has in the post-investment phase, and they should take note of the double-edged effect of frequent interactions. However, the study focused on German entrepreneurs, while the current study focused on Kenyan entrepreneurs.

2.4 Critique of the Existing Literature

Aziz, Mahmood, Tajudin, and Abdullah (2014) did a study on entrepreneurial orientations and business performance of women-owned small and medium enterprises in Malaysia. This study was conducted in Malaysia; the findings cannot be generalized to Kenya because the two countries' economies are different. Aryal (2016) studied the handicraft industry's entrepreneurial orientations and business performance: a study of Nepalese Handicraft Enterprises. This study focused on the handicraft industry in Nepal. The current study will focus on small and medium enterprises in Kenya. Octavia and Ali (2017) evaluated the effects of entrepreneurial orientations and market orientation on business performance in Indonesia. This study was conducted in Indonesia; the findings cannot be generalized to Kenya because the countries' economies are different.

Kosa, Mohammad, and Ajibie (2018) reviewed entrepreneurial orientations and venture performance in Ethiopia: the moderating role of the business sector and enterprise location. This study used business sector and enterprise location as the moderating factors, while the current study will use age as the moderating factor. Adeokun (2018)

did an evaluation on entrepreneurial orientations and business performance amongst micro businesses in Nigeria. This study focused on micro businesses in Nigeria, while the current study will focus on small and medium enterprises in Kenya. Chelagat and Ruto (2014) examined the relationship between entrepreneurial intensity and the performance of small and medium enterprises in Eldoret town, Kenya. This study was on small and medium enterprises as the same study although the current one was on entrepreneurial orientations in Kenya. Mwaura, Gathenya, & Kihoro (2015) studied the dynamics of entrepreneurial orientations on the performance of women-owned enterprises in Kenya. This study mainly focused on women-owned enterprises, while the current study will focus on small and medium enterprises in the tourism, service, trading, and manufacturing sectors.

2.5 Literature Gaps

From the reviewed literature, it is evident that minimal studies have been done on entrepreneurial orientations on financial capital access on business performance of small and medium enterprises in Eldoret Town, Uasin Gishu County, Kenya. Abuya (2016) evaluated entrepreneurial orientations and business performance of commercial banks in Kenya. The study found that many of the respondents agreed that the banks' profits increased by the activities of entrepreneurial orientations. Mwaura, Gathenya, and Kihoro (2015) studied the dynamics of entrepreneurial orientations on the business performance of women-owned enterprises in Kenya. The results of this study indicated that entrepreneurial orientations had a positive relationship and played a significant role in the performance of enterprises, as evidenced by the increase in market share and cash flow stability in the business. This study aims to fill the conceptual and contextual gap by investigating the effects of entrepreneurial orientations and financial capital access

on the business performance of small and medium enterprises in Eldoret Town, Uasin Gishu County, Kenya.

2.6 Conceptual Framework

The conceptual framework, as shown in Figure 2.1, shows the hypothesized relationship between the independent variables and the dependent variable. This study seeks to investigate the effects of entrepreneurial orientations and financial capital access on the business performance of small and medium enterprises in Eldoret town, Uasin Gishu County. The independent variables were innovativeness, risk-taking, proactiveness, Competitive Aggressiveness, and autonomy. The moderating variable was financial capital access. The dependent variable was the business performance of small and medium enterprises.

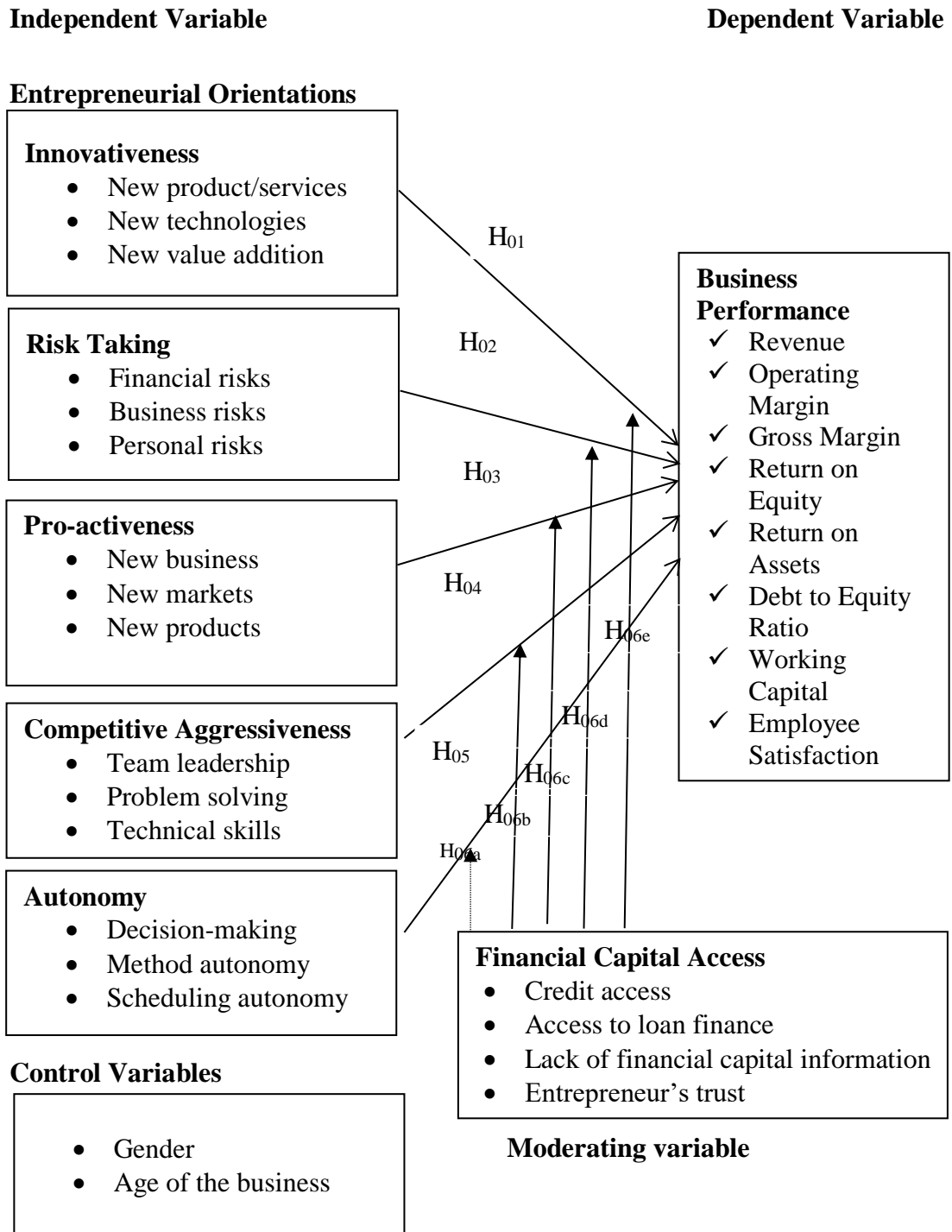


Figure 2.1 Conceptual Framework

Source: Researcher (2022)

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

Research methodology refers to procedures, techniques, and methods used to describe, explain and predict a specific phenomenon. Research methodology outlines the procedures used to identify the research design, study area, target population, sample frame, sample size, sampling design and procedures, data collection instruments, data measurements, data collections procedure, pilot test, data analysis and presentation and ethical consideration.

3.1 Research Design

The study adopted the explanatory research design. An explanatory research design was the most appropriate research design for this study. The design increased the researcher's understanding of entrepreneurial orientations, financial capital access, and business performance of small and medium enterprises in Eldoret town, Uasin Gishu County. According to Bryman and Cramer (2012), explanatory research is conducted to identify the extent and nature of cause-and-effect relationships. The design played an instrumental role in identifying reasons behind a wide range of processes and assessing the moderating effect of financial capital access on the relationship between entrepreneurial orientations and business performance of small and medium enterprises.

3.2 Area of Study

The researcher chose Eldoret Town because it host many farmers and entrepreneurs drawn from across the countries. Eldoret Town has approximately 4.5 million people and is a fertile ground for small and medium enterprises. It is the fifth-largest urban

population center in Kenya. Its economic growth has been primarily helped by agricultural activities, its hinterland, and its official designation as a growing urban center (Hardoy, Satterthwaite & Stewart, 2019); consequently, the town is proliferating, and industrialization and population increase (KNBS, 2019). These activities have formed a basis for the town's development into a significant commercial center or banking services, small-scale traders, production, processing, and distribution center for its hinterland and the whole country (Chirchir & Simiyu, 2016). However, small and medium enterprises in Eldoret Town are continually faced with challenges such as lack of easily accessible credit, limited access to competitive markets, lack of value addition to their products, and lack of entrepreneurial skills to grow their businesses profitably forcing the small and medium enterprises in Eldoret Town to operate in the informal sector.

3.3 Target Population

A target population refers to each member of either a hypothetical or an honest group of objects, individuals, or subjects from whom a researcher intends to obtain general conclusions about the variables under Study (Blumberg, Cooper & Schindler, 2014). This Study was conducted in small and medium enterprises in Eldoret Town, Uasin Gishu County, Kenya. Therefore, the unit of analysis for this study was small and medium enterprise owners/managers in Eldoret Town, Uasin Gishu County, Kenya. According to Uasin Gishu County government records, there are 2053 registered small and medium enterprises in Eldoret (Ministry of Industrialization, Trade and Enterprise Development, 2020). Therefore, the target population was the owners/managers of small and medium enterprises within seven sectors: financial services, retail, telecommunication, agriculture, hospitality, professional services and workshop services.

Table 3.1 Target Population

SME Sectors	Target Population
Financial services	450
Retail	470
Telecommunication	389
Agriculture	195
Hospitality	151
Professional services	147
Workshop services	251
Total	2053

Source: Ministry of Trade and Industrialization, Uasin Gishu County, (2021)

3.4 Sampling Frame

A sampling frame is a comprehensive list of all sampling units in which a sample can be selected (Kombo & Tromp, 2006). Units could be people or organizations comprising the population of interest. When defining the population, it's essential to be as specific as possible. Therefore, the unit of analysis for this study was owner/managers of 450 financial services, 470 retail, 389 telecommunications, 195 agricultures, 151 hospitalities, 147 professional services, and 251 workshop services.

3.5 Sample Size

Sample size refers to a small number of an entire target population. From the target population of 2053 small and medium enterprises, Yamane (1973) sample size formula was used to select a sample size of 335 small and medium enterprises as shown below;

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size required

N is the population size =2053

e is the level of precision =0.05

$$n = \frac{2053}{1 + 2053(0.05)^2}$$

$$n = 335$$

Thus, the sample size was 335 small and medium in Eldoret Town Uasin Gishu County, Kenya.

Table 3.2 Sample Size

SME Sector	Proportion	Sample Size
Financial services	450/2053*335	73
Retail	470/2053*335	77
Telecommunication	389/2053*335	63
Agriculture	195/2053*335	32
Hospitality	151/2053*335	25
Professional services	147/2053*335	24
Workshop services	251/2053*335	41
Total	2053/2053*335	335

Source: Researcher (2021)

3.6 Sampling Design and Procedures

The study adopted both stratified and simple random sampling methods. Stratified random sampling was adopted to select small and medium enterprises in different sectors. Stratified random sampling involves the division of a population into smaller groups, known as strata. In stratified random sampling, the strata are formed based on members' shared attributes or characteristics (Etikan & Bala, 2017). This method provides greater precision and often requires a smaller sample, which saves money.

The study adopted the simple random sampling method to select the study sample. Simple random sampling is suitable for selecting a sample from a large population. In simple random sampling, each member of the population is equally likely to be chosen as part of the sample. The logic behind simple random sampling is that it removes bias

from the selection procedure and should result in representative samples (Sharma, 2017). Stratified random sampling is a method of sampling that involves the division of a population into smaller sub-groups known as strata. In stratified random sampling or stratification, the strata are formed based on members' shared attributes or characteristics, such as income or educational attainment. Stratified random sampling allows researchers to obtain a sample population that best represents the studied population. Stratified random sampling involves dividing the entire population into homogeneous groups called strata. Stratified random sampling differs from simple random sampling, which involves selecting data from an entire population so that each possible sample is equally likely to occur.

3.7 Data Collection Instruments

Primary data was collected using questionnaires. The main advantage of using primary data is that data were collected specifically for this study (Bryman & Cramer, 2012). Essentially, the questionnaire was tailored to obtain data that helped meet the study's objectives. This research study used semi-structured questionnaires to collect data primary data. Section A captured the company profile/information. Section B captured questions on dependent variables: the business performance of small and medium enterprises in Eldoret Town, Uasin Gishu County, Kenya (profitability, productivity, and market). Section C will capture questions on the effect of innovativeness on the business performance of small and medium enterprises (new products/services, new technologies, and product value addition). Section D captured questions on the effect of risk-taking on small and medium enterprises' business performance (financial, business, and personal risks). Section E captured questions on the effect of pro-activeness on the business performance of small and medium enterprises (new business, new markets, and new products).

Section F captured questions on the effect of competitive aggressiveness on the business performance of small and medium enterprises (team leadership, problem-solving, and technical skills). Section G captured questions on the effect of autonomy on the business performance of small and medium enterprises (decision-making, method autonomy, and scheduling autonomy). Section H captured questions on moderating effect of financial capital access on the relationship between entrepreneurial orientations and business performance of small and medium enterprises in Eldoret Town, Uasin Gishu County, Kenya (credit access, access to loan finance, lack of financial capital information and entrepreneur's trust). The constructions of questionnaires covered the respondent's general information (gender, age bracket, education level, and working experience) in section I.

Questionnaires were preferred in this study because they are very economical in terms of time, energy, and finances. The structured questions were used to save money and time and facilitate a more accessible analysis as they are immediately usable. The questionnaire was divided into nine sections that included demographic information; the rest covered the four independent and dependent variables. The study adopted Likert scale questions. The Likert scale is a question that contains five response options. The choices range from strongly agree to strongly disagree so the researcher can get a holistic view of people's opinions and their level of agreement (Roopa & Rani, 2012).

3.8 Data Measurements

Research instruments used in this study were developed using measures from previous studies. Respondents were asked how much they agreed/disagreed with a series of statements about their perceptions concerning the study variables on a 5-point Likert scale of (5) strongly agree to (1) strongly disagree with each variable with five items.

The researcher transformed data from the Likert scale to numeric data using SPSS software. To run the regression, a transformation of data for each objective was done based on the objective items/questions

Table 3.3 Data Measurements

Type	Variable	Measurement	Measurement scale	Source
Independent variable	Innovativeness	<ul style="list-style-type: none"> ✓ New product/services ✓ New technologies ✓ Product value addition 	5-point Likert scale	Kahn, 2018
Independent variable	Risk Taking	<ul style="list-style-type: none"> ✓ Financial risks ✓ Business risks ✓ Personal risks 	5-point Likert scale	Hock-Doepgen, Clauss, Kraus & Cheng, 2020
Independent variable	Pro-activeness	<ul style="list-style-type: none"> ✓ New business ✓ New markets ✓ New products 	5-point Likert scale	Linton, 2019
Independent variable	Competitive Aggressiveness	<ul style="list-style-type: none"> ✓ Team leadership ✓ Problem-solving ✓ Technical skills 	5-point Likert scale	Linton, 2019
Independent variable	Autonomy	<ul style="list-style-type: none"> ✓ Decision-making autonomy ✓ Scheduling autonomy 	5-point Likert scale	Dworkin, 2017
Moderator	Financial Capital Access	<ul style="list-style-type: none"> ✓ Credit Access ✓ Access to loan finance ✓ Lack of financial capital information ✓ Entrepreneur's trust 	5-point Likert scale	Alden & Hammarstedt, 2016
Dependent variable	Business Performance	<ul style="list-style-type: none"> ✓ Revenue ✓ Operating Margin ✓ Gross Margin ✓ Return on Equity ✓ Return on Assets ✓ Debt to Equity Ratio ✓ Working Capital ✓ Employee Satisfaction Rating 	Key performance indicators (KPIs) and metrics	Lumpkin & Dess, 1996
Control Variable	Demographic information	<ul style="list-style-type: none"> ✓ Gender ✓ Age of the business 		

3.9 Data Collection Procedure

The researcher first obtained clearance from Moi University Graduate School. This allowed the researcher to apply for a research permit from the National Council of Science, Technology, and Innovation (NACOSTI) before entering the field. The researcher also wrote a letter of transmittal of data collection instruments to individual respondents. The questionnaires were hand-delivered to the respondents by the researcher. Follow-ups were made daily to monitor the respondents' progress in filling out the questionnaires. The data collection exercise took approximately two weeks.

3.10 Pilot Test

A pilot study was conducted in Kapsabet town to check for the validity and reliability of research instruments. Anderson and Arsenault (1998) explained that a pilot study is essential before carrying out the main study. Borg and Gall (1996) stated that the pilot study provided additional knowledge, leading to improved and reliable research. Pilot studies are a crucial element of a good study design. Conducting a pilot study does not guarantee success in the main study, but it does increase the likelihood. Eldridge et al. (2016) suggested that pilot study designs mirror future studies and can pre-empt obstacles. Pilot studies fulfill many important functions and can provide valuable insights for other researchers (Van Teijlingen & Hundley, 2001). A pilot study was done with the primary objective of pre-testing the research instruments, particularly the questionnaire. It is advised in research to attend to matters sequentially, and the pilot study allowed such an approach (Kannan & Gowri, 2015). The primary strategy used during the pilot study was both qualitative and quantitative. A pilot test helps identify the weaknesses that are likely to occur, the inadequacies of the research, and the problems that will most probably appear during the research process (Creswell, 2013).

The pilot test was conducted with a randomly selected number of small and medium enterprises, and the pilot group comprised 10% of the sample size.

3.10.1 Validity

According to Gravetter, Wallnau, Forzano and Witnauer (2020), validity is the degree to which results acquired from analyzing the data embody the phenomenon under study. There are several types of validity: content, construct, nomological, and face. Construct validity determines how well a test measures what it is supposed to measure. Nomological validity is the degree to which a construct behaves as it should within a system of related constructs. Face validity refers to the probability that a question is misinterpreted or misunderstood. According to Aborisade (2013), pre-testing is a proper way to increase the possibility of face validity.

On the other hand, content validity, also referred to as logical validity, refers to the degree to which a measure depicts all facets of a given social construct. In this study, the content validity was improved by seeking the opinions of experts in the field of study, particularly the supervisors. Also, the face validity of the research instrument was improved by carrying out a pilot test and changing any unclear and ambiguous questions.

A valid test ensures that the results accurately reflect the dimension undergoing assessment. Validity is the degree of confidence a researcher can have in inferences drawn from scores and the confidence a researcher can have in the meaning attached to the scores (Tharenou et al., 2007). Validity was essential to this research, as the existing and proposed measurement scales should demonstrate validity. Clark and Watson (1995) argued that validity is more critical in scale development than reliability as it fails to satisfy uni-dimensionality goals. Clark and Watson (1995) recommended that

uni-dimensionality and validity can be achieved through factor analyzing the items. Internal validity refers to the validity of the measurement and test itself, whereas external validity refers to the ability to generalize the findings to the target population (Adzeh, 2014). Different types of validity were assessed in this research, which included four main types of validity, namely face validity, content validity, criterion-related validity, and construct validity, all of which are critical to scaling development.

Face validity measures whether a scale measure what it states it is measuring (Hardesty & Bearden, 2004). Content validity refers to whether the items designed for the measure adequately cover the domain of interest (Gravetter & Forzano, 2009). The face and content validity in this research are expected to be strong as the contents of the measure were representative of the broader body of theories it is trying to assess. Although the measures of EO showed face and content validity through earlier studies, the measures related to II did not have empirically demonstrated validity. However, the literature has covered different functional areas, not just entrepreneurship, and included additional functional domains of innovation, operations, marketing, and strategy. The objective was to ensure that all variables of interest were included in the conceptual framework of this study. The items in the measure have adequately sampled the domain but would be further tested with empirical evidence. Criterion-related validity – Criterion-related validity should ideally predict what the researcher is interested in, both current (concurrent validity) and future (Predictive validity). In line with Smithson and Simkins (2005) suggestions, concurrent validity is expected to be present; since the results of this study are expected to support the priority factor structure of both EO. The correlation was used to test concurrent validity and predictive validity.

Construct validity refers to whether a measure relates to other measures in ways predicted by an underlying theory of the construct (Gravetter & Forzano, 2009). It is considered the dominant validity model that subsumes all other types of validity evidence (Kane, 2010). It is determined by its two opposite measures expressed through convergent and discriminant validity. Convergent validity determines the extent to which a measure correlates with measures with which it theoretically should be associated. On the other hand, discriminant validity determines the extent to which a measure does not correlate with measures with which it theoretically should not be associated (Levinson & Rodebaugh, 2011). Factor analysis was used to test construct validity.

3.10.2 Reliability

Reliability is the consistency of measurement or the degree to which an instrument gives the same results each time it is used on the same subjects under the same condition. In this study, the reliability of the research instrument was measured by measuring the internal consistency of the responses. Cronbach's Alpha was used to measure the internal consistency technique, where alpha values range from 0 to 1, with the reliability increasing as the alpha value increases. The commonly used reliability coefficient is 0.6 to 0.7, with greater than or equal to 0.8 indicating good reliability (Kothari, 2017). This study will accept a Cronbach's Alpha of 0.7 and above.

3.11 Data Analysis and Presentation

The data analysis process refers to the packaging of the collected data and putting it in an orderly way, and structuring the core elements in a way that the results of the data collected can be efficiently and quickly communicated (Creswell, 2013). The

questionnaire generated quantitative data. The collected data was cleaned and checked for completeness. Data were then coded using SPSS version 26.

3.11.1 Descriptive Analysis

Quantitative data was collected using the questionnaires for all five objectives; the effect of innovativeness on the business performance of small and medium enterprises, the effect of risk-taking on the business performance of small and medium enterprises, the effect of pro-activeness on the business performance of small and medium enterprises, effect of competitive aggressiveness on business performance of small and medium enterprises and effect of autonomy on business performance of small and medium enterprises in Eldoret, Uasin Gishu County, Kenya was analyzed using descriptive statistics that is frequency, mean, standard deviation and percentage. The results were displayed in Tables, 3-D figures, pie charts, and graphs. Descriptive analysis is relevant to this study because it describes respondent responses in frequency and percentage. Also, it described their response's mean and standard deviation to understand their agreement/disagreement on asked questions.

Table 3.4 Summary of Data Analysis Techniques

Objective	Independent Variable	Dependent Variable	Analysis Method	Thresholds for interpretation
To examine the effect of innovativeness on the business performance of small and medium enterprises	Innovativeness	Business Performance	Descriptive statistics Regression Analysis and Correlation	Likert scale ranging from 1-5 p-value <0.05
To determine the effect of risk-taking on the business performance of small and medium enterprises	Risk Taking	Business Performance	Descriptive statistics Regression Analysis and Correlation	Likert scale ranging from 1-5 p-value <0.05
To assess the effect of pro-activeness on the business performance of small and medium enterprises.	Pro-activeness	Business Performance	Descriptive statistics Regression Analysis and Correlation	Likert scale ranging from 1-5 p-value <0.05
To explore the effect of competitive aggressiveness on the business performance of small and medium enterprises.	Competitive aggressiveness	Business Performance	Descriptive statistics Regression Analysis and Correlation	Likert scale ranging from 1-5 p-value <0.05
To establish the effect of autonomy on the business performance of small and medium enterprises.	Autonomy	Business Performance	Descriptive statistics Regression Analysis and Correlation	Likert scale ranging from 1-5 p-value <0.05
To determine the moderating effect of financial capital access on the relationship between innovativeness, risk-taking, pro-activeness, competitive aggressiveness, and autonomy and business performance of small and medium enterprises.	Financial capital access to the relationship between innovativeness, risk-taking, pro-activeness, competitive aggressiveness, autonomy	Business Performance	Descriptive statistics Regression Analysis and Correlation	Likert scale ranging from 1-5 p-value <0.05

3.11.2 Inferential Analysis

Inferential analysis was done through correlation and regression analysis.

(i) Correlation Analysis;

The primary purpose of conducting a correlation analysis is to measure the strength of the association between two variables (Gogtay & Thatte, 2017). Various methods of correlation analysis exist and the method to be used in a study depends on the nature of the data of that particular study.

The Pearson Product Moment correlation method is a parametric type of statistical test, and it is applied to populations with a normal distribution (Gogtay et al., 2017). The Spearman Rank Order correlation method is a non-parametric type of test. It is applied to a data set in which the population is not normally distributed or when considering severely skewed data.

The results from the descriptive statistics should reveal the nature of the data, whether the data are parametric or non-parametric. It will indicate which correlation method should be used in the study. The study will conduct a correlation analysis to establish the strength of the relationship between the independent variable and the dependent variable for all the study objectives; the effect of innovativeness on the business performance of small and medium enterprises, the effect of risk-taking on business performance of small and medium enterprises, effect of pro-activeness on business performance of small and medium enterprises, effect of competitive aggressiveness on business performance of small and medium enterprises and effect of autonomy on business performance of small and medium enterprises in Eldoret, Uasin Gishu County, Kenya as well as moderating objectives.

This determined if there exist a correlation between the five study variables with the dependent and the moderating variables. A correlation value of 0 shows no relationship between the dependent and the independent variables; conversely, a correlation of ± 1.0 means there is a perfect positive or negative relationship (Schober, Boer & Schwarte, 2018). The values were interpreted between 0 (no relationship) and 1.0 (perfect relationship). The relationship was considered weak when $r = \pm 0.1$ to ± 0.29 , while the relationship was considered medium when $r = \pm 0.3$ to ± 0.49 , and when $r = \pm 0.5$ and above, the relationship was considered strong.

(ii) Regression Analysis;

In testing the study hypotheses, the study used multiple regression analysis to test statistics and interpret the decision. This involved regressing the dependent variable against the five dependent variables. The decision rule was that if the calculated value was less than 0.05, the null hypothesis was to be rejected, and the conclusion was made on the alternative hypothesis. The moderating effect was tested using hierarchical moderating regression analysis. Ordinary least square (OLS) equation and hierarchical moderating regression analysis equations were created involving scores for independent variable y , for second predictor x , and third predictor variable z (Zhang & Dong, 2018).

To determine the presence of moderating effect of financial capital access on the relationship between entrepreneurial orientations and business performance of small and medium enterprises in Eldoret Town, Uasin Gishu County, Kenya, hierarchical moderating linear regression analysis was used whereby OLS models compared with the HMRA models (Tutz, 2021). In testing the moderation, the interaction effect between x and z is checked, and whether or not such an effect is significant in predicting

Y. The hierarchical model calls for a determination of R^2 and the partial coefficients of each variable at the point at which it is added to the equation. In the hierarchical MRR analysis, the analyst entered the IVs in the specified order and determined R^2 after each addition to checking incremental variance.

Moderation testing steps before introducing model one and model two

- i. Standardizing all variables
- ii. Fitting a regression model (block 1) Y from predictor variables x
- iii. They were fitting a regression model (block 2) predicting the outcome variable Y from the predictor variable x and the moderator variable z. Both effects and the model in general (R^2) should be significant.
- iv. Add the interaction effect to the previous model one by one and check for a significant R^2 change and a significant effect by the new interaction term. The coefficient of the interaction should be different from zero. If both are significant, then moderation is occurring.

Equation 1: Regression of the independent variables on dependent variables.

Ordinary least square Equation

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Moderated regression model

$$Y = a + c + e \dots\dots\dots (i)$$

$$Y = a + c + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon_1 \dots\dots\dots (ii)$$

$$Y = a + c + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 Z + \varepsilon_2 \dots\dots\dots (iii)$$

$$Y = a + c + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 Z + \beta_7 Z \cdot X_1 + \varepsilon_3 \dots\dots\dots (iv)$$

$$Y = a + c + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 Z + \beta_7 Z \cdot X_1 + \beta_8 Z \cdot X_2 + \varepsilon_4 \dots\dots\dots (v)$$

$$Y = a + c + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 Z + \beta_7 Z \cdot X_1 + \beta_8 Z \cdot X_2 + \beta_9 Z \cdot X_3 + \varepsilon_5 \dots\dots\dots$$

(vi)

$$Y = a + c + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 Z \cdot X_1 + \beta_7 Z \cdot X_2 + \beta_8 Z \cdot X_3 + \beta_9 Z \cdot X_4 + \varepsilon_5$$

..... (vii)

$$Y = a + c + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 Z \cdot X_1 + \beta_7 Z \cdot X_2 + \beta_8 Z \cdot X_3 + \beta_9 Z \cdot X_4 + \beta_{10} Z \cdot X_5 + \varepsilon_5$$

..... (viii)

Whereby:

Y represents business performance of small and medium enterprises

β_0 represents constant

β_i represents beta coefficients

X_1 represents innovativeness

X_2 represents risk-taking

X_3 represents pro-activeness

X_4 represents competitive aggressiveness

X_5 represents autonomy

Z represents financial capital access

C represents control variables

ε represents error term

3.11.3 Regression Assumptions

This study used regression analysis. Therefore, the data were checked for violations of normality and linearity, multicollinearity, and heteroscedasticity assumptions.

Normality;

Normally distributed data are distributed symmetrically around the Centre of all scores and are characterized by a bell-shaped curve (Ong & Puteh, 2017). Non-normal data has characteristics of skewness and kurtosis. Normality was determined through an assessment of skewness and kurtosis. According to Cain, Zhang and Yuan (2017), a

skewness level with absolute values greater than three is regarded as extreme, and a kurtosis level with absolute values greater than eight is described as extreme. Violation of the acceptable level of skewness and that of kurtosis suggests a problem that should be addressed before performing any inferential statistical analysis.

Linearity;

If the relationships are linear, multiple linear regressions can only accurately estimate the relationship between dependent and independent variables (Uyanık & Güler, 2013). The linearity relationship was tested using an ANOVA Table, where the statistics $F = \frac{R^2/k - 1}{(1 - R^2)/(n - k)}$ was used. If it was significant, then the linearity assumption applies.

Multi collinearity;

Multi-collinearity is the linear inter-correlation among independent variables in the study, which will examine the level of correlation between independent variables and the correlation coefficient among variables displayed in the SPSS regression output. Multicollinearity increases the standard errors of the coefficients and thus makes some variables statistically insignificant while they should otherwise be significant (Osborne & Waters, 2002). Multi-collinearity was tested using (the variance inflation factor). If $VIF > 5$ but less than 10, this indicates the moderate presence of multicollinearity. If $VIF \geq 10$, this indicates high multicollinearity.

Heteroscedasticity;

Heteroscedasticity occurs when the variance of the errors of the dependent variable is not the same across the data. Ong and Puteh (2017) posit that heteroscedasticity occurs when there is a variance in the error term. It occurs when errors' variance differs at different independent variables' values. Heteroscedasticity occurs when the residuals

are not evenly scattered around the horizontal line. To ascertain heteroscedasticity, a visual examination of squared residuals was used.

3.12 Ethical Considerations

Research ethics are the ethics arrangement that oversees how logical and another research is performed (Battiste, 2016). Research ethics oversee the guidelines of conduct for scientific researchers. It is essential to adhere to moral standards to protect the dignity, rights and welfare of study participants. In any study that involves human beings, confidentiality is always a major concern. With that in mind names of the participants was concealed by using numbers and respondents were not supposed to write their names. Also, where a response was credited to explicit individuals, the said data was kept in strict confidence. All participants were required to participate voluntarily and withdraw from the study without facing any legal action. The researcher makes sure that assurances presented to the participants pertaining to confidentiality are adhered to. Information were made accessible to any individual who was directly associated with the study.

Additionally, participants were on an intentional basis and no advantages attached. This aims at making sure about collaboration from them. The researcher builds up an affinity with the respondents and facilitated the collection of data. The researcher obtained an introduction letter from the University. Further, a research permit was obtained from NACOSTI. Questionnaires and interviews were completed in an environment that permitted the privacy of the data and the respondent's confidentiality. To avoid plagiarism annotated bibliography was done where a citation to books, articles, and documents was done in every data borrowed from previous researchers.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSIONS

4.0 Introduction

This chapter summarizes the study's analysis and findings in line with the research methodology. The results were presented on entrepreneurial orientations and financial capital access on business performance of small and medium enterprises in Eldoret Uasin Gishu county, Kenya.

4.1 Response Rate

The study's response rate is presented in Table 4.1.

Table 4.1 Response Rate

Sample size	Number	Percent
Questionnaire Distributed	335	100.00
Questionnaire Returned	320	95.5
Questionnaire Not Returned	15	4.5
Non-usable questionnaire (missing data and outliers)	11	3.3
Usable questionnaire	309	92.2

Source: Field Data (2022)

In the study, as shown in Table 4.1, 335 questionnaires set were distributed to respondents. However, 320 questionnaires were returned, 15 were not returned, and 11 were unusable due to missing data and outliers. As a result, the number of usable questionnaires was 309, yielding a response rate of 92.2%. According to Nachmias and Nachmias (2004), as cited in Keraro (2014), survey researchers face the challenge of a low response rate rarely exceeding 50%. As a result, they contended that a response rate of 50% or higher is satisfactory and provides a solid foundation for data analysis.

4.2 Data Screening and Cleaning

Collecting, cleaning, and consolidating data into a single file or data Table, primarily for analysis, is known as data screening and cleaning (Karen, 2019). According to

Barnett and Lewis (1994); Tabachnick and Fidell (1994), this process allowed the researcher to address errors that may have occurred as data was entered into the software (2013). This activity ensured that the data used for subsequent statistical investigations was error-free and could provide valuable inferences for the study. As described in sections 4.2.1 and 4.2.2, data screening and cleaning were performed to check for missing values and deal with outliers.

4.2.1 Missing Value and Treatment

A missing value in a dataset is the absence of a datapoint. When a respondent fails to answer a question, there is a data entry problem on the part of the researcher, or there are errors in the data collection process. The collected data were analyzed for frequency, and 20 cases were discovered to have missing values that were less than 5% and deemed usable, so missing values were ignored, as recommended by (Hair et al., 2010). The data contained missing data at random (MAR). The option has fewer convergence problems; the factor loading estimates are relatively free of bias, and the option is simple to implement using any statistical programme (Hair, 2010).

4.2.2 Outliers Detection and Treatment

Outliers are data points that appear anomalous or outside the expected range of values. Outliers may represent errors or data unrelated to the rest of the data set (Zhang, Meratnia & Havinga, 2010). This study used the Mahalanobis D2 measure to identify and deal with multivariate outliers, as Tabachnick and Fidell (2018) recommended. Handling multivariate outliers would also take care of univariate outliers. However, treating univariate outliers does not always address multivariate outliers (Hair et al., 2010). As a result, Mahalanobis D2 was calculated in SPSS using linear regression methods, followed by the Chi-square value. Given the six variables, five represent the

degree of freedom in the chi-square Table with $p < 0.001$, Fidell and Tabachnick (2018). Any case with a Mahalanobis D^2 probability less than 0.001 is a multivariate outlier and should be removed. There were no multivariate outliers because no values of the new probability variable were less than 0.001.

4.3 Pilot Study Results

The study conducted a pilot study to test the reliability and validity of the research instrument, and the pilot study used 34 respondents from Kapsabet town, 10% of the total sample size.

4.3.1 Validity of the Instruments

The validity of this research instrument was ascertained through the opinion of experts and during the pilot study. Any ambiguity or non-clarity in the questionnaire item has been cleared before the questionnaires are taken to the field for data collection. Also, factor analysis was used to test the validity of research instruments. Factor analysis results are presented in Tables 4.2 and 4.3.

Table 4.2 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.420
Bartlett's Test of Sphericity	Approx. Chi-Square	999.820
	df	325
	Sig.	.000

Source: Field Data (2022)

Twenty six items that were initially identified to measure all the constructs were factor analyzed using principal component analysis using the varimax rotation method. Results in Table 4.2 revealed that a Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy as 0.420, with Bartlett’s Test of Sphericity showing a significant Chi-Square

(χ^2) of 999.820, $df = 325$, $p = 0.000$. The KMO of .420, with a significant Chi-squ, are indicated that the data was adequate to carry out a factor analysis.

A scree plot showed the Eigenvalues on the Y-axis and the number of factors on the X-axis which always displays a downward curve. Figure 1 showed that the slope of the curve is leveling indicates that all the factors were valid and should be generated for the analysis.

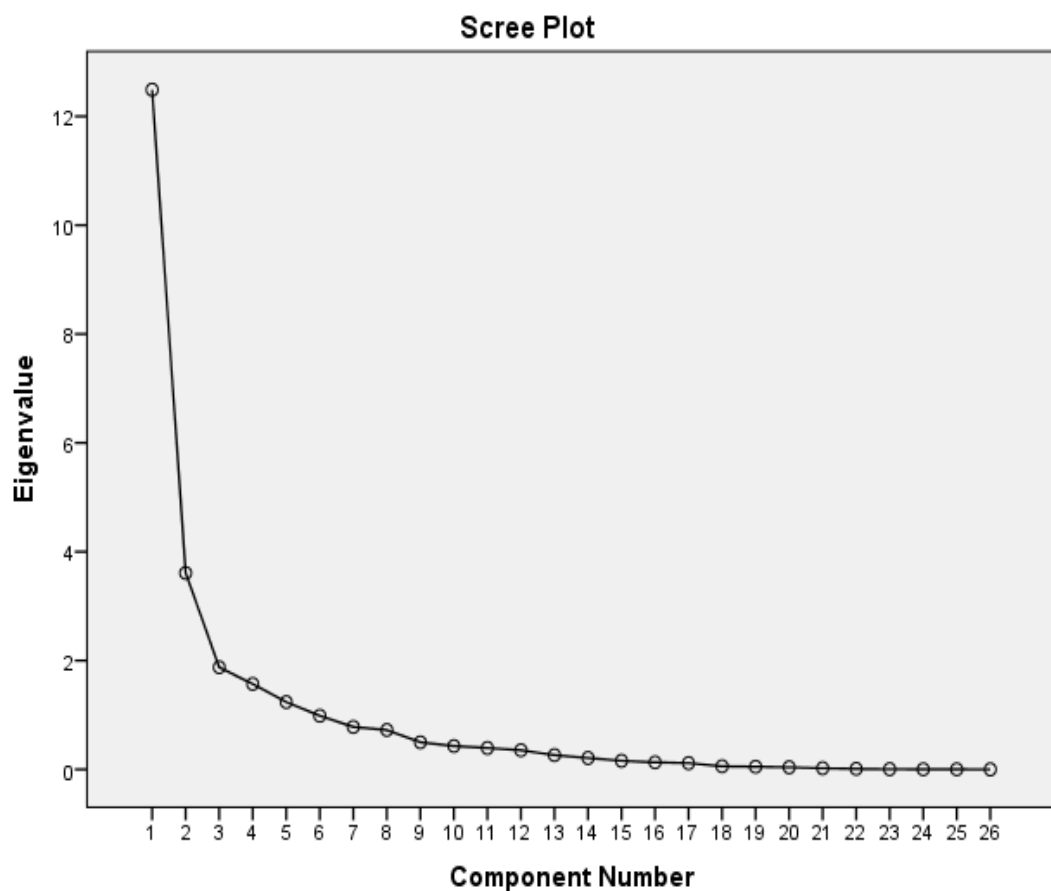


Figure 4.1 Scree Plot

Source: Field Data (2022)

The scree plot in Figure 4.1 showed that the first three factors account for most of the total variability in data (given by the eigenvalues). The eigenvalues for the first seven

factors are all greater than 1. The remaining factors account for a small proportion of the variability and are likely insignificant.

Results show how all the twenty six items were clustered into four (5) components, as presented in Table 4.3.

Table 4.3 Variance Results and Factor Loadings of Entrepreneurial Orientations

Items of factors extracted	Eigen Values	% Variance	Total %
Innovativeness	12.489	48.036	48.036
Risk-Taking	3.609	13.882	61.918
Pro-Activeness	1.877	7.218	69.136
Competitive Aggressiveness	1.570	6.039	75.175
Autonomy	1.237	4.758	79.932

Source: Field Data (2022)

Results showed that component one (1) had an eigenvalue of 12.489 explaining a variance of 48.036%. This variable was named innovativeness after all its six items loaded on it as indicated in Table 4.3. The second component in Table 4.3 indicated eigenvalue of 3.609, with a percentage variance of 13.883%. This component was named risk-taking after all its five items loaded. Furthermore, findings indicated that all five items measuring pro-activeness loaded on component three (Table 4.3). This component showed eigenvalues of 1.877 with a percentage variance of 7.218% being accounted for by the 5 items. Findings further revealed that the five items measuring competitive aggressiveness on component five were loaded (Table 4.3). Findings showed that this factor had an eigenvalue of 1.570 with a total variance of 6.039%. Finally, all items measuring autonomy loaded on component five with eigenvalues of 1.237 with a total of 4.758% of variance. The study findings indicate that more than 79.93% of the total variance is explained by the five components in the study.

Table 4.4 Variance Results and Factor Loadings

Component Matrix	Component				
	1	2	3	4	5
Innovativeness					
I regularly introduce new services/products/processes through innovation	.673				
I have adopted new technologies in my business operation	.673				
I place a strong emphasis on continuous improvement in products/service delivery through innovation	.751				
I have new products to meet changing customer needs	.735				
I always value employee's innovations since they explore new services/products to satisfy my clients	.614				
Risk Taking					
I am venturing into financial risks in order to ensure business performance			.532		
I am venturing into unexplored business with high demands from the community			.464		
I am venturing into new unexplored markets			.626		
Personal risks taking has ensured that there is growth in my business			.850		
I always differentiate my products to be more competitive			.770		
I always target different customers segments			.886		
Pro-Activeness					
I often introduce new products/services/ processes.				.762	
I typically initiate actions that competitors respond to				.623	
I continuously seek out new products/processes/services				.821	
I continuously monitor market trends and identify the future needs of customers.				.834	
I always encourage employees to manage their work and have flexibility to resolve problems.				.692	
Competitive Aggressiveness					
I always use proper communication in the business to ensure that customers get information at the right time					.919
I always involve employees in problem-solving of the business activities					.911
I give employees the freedom and independence in doing their work					.820
I always consider employee's opinions in decision-making in order to get new ideas					.755
The individuals in my business work as one large team to improve the business competitiveness					.845
Autonomy					
I do not give employees the freedom to act					.519
I allow business employees to deal with problems and opportunities					.718
The operating divisions are quite independent in my business					.713
Employees need to take consent from me in order to take decisions					.748
I assign new responsibilities to employees					.855

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization

a. 5 components extracted.

Source: Field Data (2022)

According to Hair, Black, Babin and Anderson (2009), the three variables above must reflect one construct to provide minimum coverage of the construct's theoretical domain. Consequently, all factors with three and above variables attaining the cut-off point of 0.4 were retained, and new subscales were renamed as indicated in Table 4.4. According to Yong and Pearce (2013), based on pragmatic reasoning, the loading item cut-off can be chosen for a statistically meaningful rotated factor loading. Therefore, the reason for selecting a loading item of 0.4 as a cut-off was pragmatic reasoning to resolve the issue of a non-significant loading item.

4.3.2 Reliability of the Study

The researcher used Cronbach's alpha α coefficient to measure the internal consistency of the study in the survey instruments to gauge their reliability. This was done by calculating Cronbach's alpha coefficient for all the questionnaire sections from the pilot study results. Cronbach's Alpha of more than 0.7 was taken as the cut-off value for being acceptable Bonett and Wright (2015), which enhanced the identification of the dispensable variables and deleted variables. The findings of the reliability test are presented in Table 4.5.

Table 4.5 Reliability Test of the Research Questionnaire

Variables	Cronbach's Alpha	N of Items
Business Performance	.873	8
Innovativeness	.868	5
Risk-Taking	.889	6
Pro-Activeness	.873	5
Competitive Aggressiveness	.950	5
Autonomy	.850	5
Financial Capital Access	.938	5

Source: Field Data (2022)

The findings indicated that business performance had a Cronbach Alpha coefficient of 0.873. Innovativeness had a Cronbach Alpha coefficient of 0.868. Risk-taking had a Cronbach Alpha coefficient of 0.889. Pro-activeness had a Cronbach Alpha coefficient of 0.873. Competitive aggressiveness had a Cronbach Alpha coefficient of 0.950. Autonomy had a Cronbach Alpha coefficient of 0.850. Financial capital access had a Cronbach Alpha coefficient of 0.938. All variables depicted that the value of Cronbach's Alpha was above the value of 0.7 thus the research instruments were reliable (Ghazali, 2016). This indicates the hat scales used in this study are reliable enough to capture the variables.

4.4 Business Profile

Business size and business type described the business profile in the study.

4.4.1 Business Size

The size of the business was presented in Table 4.6. by the respondents.

Table 4.6 Business Size

Responses	No	Percentages
Small enterprises	118	38.2
Medium Enterprises	191	61.8
Total	139	100

Source: Field Data (2022)

The study findings in Table 4.6 revealed that 191(61.8%) of the businesses in Eldoret town were medium enterprises while 118(38.2%) accounted for small enterprises.

4.4.2 Type of Business

The study evaluated the type of businesses within Eldoret town and responses were provided in Table 4.7.

Table 4.7 Type of Business

Type of Business	Frequency	Percent
Manufacturing	91	29.4
Trade	126	40.8
Service	92	29.8
Total	309	100.0

Source: Field Data (2022)

Study findings from Table 4.7 indicated that the majority 129(40.8%) of the respondents revealed that trade is the most type of business in Eldoret, while 92(29.8%) revealed that service is a type of business practiced. However, 91 (29.4%) of the respondents revealed manufacturing as a type of business within Eldoret.

4.5 Demographic Information of the Respondents

The study intended to determine the demographic details of the study participants' gender and length of service.

4.5.1 Gender Distribution of the Respondents

The study sought to establish the respondent's gender distribution. The findings are as stipulated in Table 4.8.

Table 4.8 Gender of the Respondents

Gender	Frequency	Percentage
Male	197	53.5
Female	171	46.5
Total	368	100

Source: Field Data (2022)

Table 4.8 above showed that majority 197(53.5%) of respondents were male participants, while only 171(46.5%) were female respondents. These findings were a

sign that most of the business managers were men. The study was not biased on gender since each gender was represented.

4.5.2 Years of Operation

The study determined the number of years businesses have operated within Eldoret town. Table 4.9 presented the results of the study.

Table 4.9 Years of Operation

Years of Operation	Frequency	Percentage
< 5 years	21	6.8
5-10 years	69	22.3
11-15 years	138	44.7
16-20 years	64	20.7
> 20 years	17	5.5
Total	309	100

Source: Field Data (2022)

Table 4.9 findings indicates that the majority of the respondents 138(44.7%) revealed that their businesses have been in operation for 11-15 years. The study findings implied that businesses that ensure secure that they sell their services had 11-15 years in operation. However, 69(22.3%) of the respondents indicated that the business has been operating for 5-10 years while 64(20.7%) revealed that their business had been in operation for 16-20 years. In addition to that, 21(6.8%) of the respondents revealed that their businesses have been operating for less than 5 years and 17(5.5%) counted to the respondents who revealed that their businesses have been operating for more than 20 years.

4.6 Descriptive Statistics Findings

In this section, descriptive statistics were given for the dependent and independent variables. The degree to which the participants agreed with the findings was measured using a five-point Likert scale. Researchers used a Likert scale for this research that ranged from strongly disagreeing (1) to highly agreeing (5).

4.6.1 Business Performance

The study finding of business performance are presented in Table 4.10.

Table 4.10 Business Performance

Statements		SA	A	UD	D	SD	Mean	Std. dev.
1. I have increased my business profit for the last three years	F	34	195	5	67	8	3.58	1.03
	%	11.0	63.1	1.6	21.7	2.6		
2. My business growth has improved through innovations	F	85	190	2	27	5	4.05	0.88
	%	27.5	61.5	0.6	8.7	1.6		
3. I have managed to create new products in my business	F	39	179	5	76	10	3.52	1.09
	%	12.6	57.7	1.6	24.6	3.2		
4. My gross profit has improved due to innovation in my business	F	83	140	2	73	11	3.68	1.20
	%	26.9	45.3	0.6	23.6	3.6		
5. Customer satisfaction has risen in my business	F	48	204	4	45	8	3.77	0.97
	%	15.5	66.0	1.3	14.6	2.6		
6. My market share has raised my sales revenue	F	77	148	5	68	11	3.69	1.17
	%	24.9	47.9	1.6	22.0	3.6		
7. The debt-to-equity ratio has been reduced in my business	F	82	135	5	82	5	3.67	1.18
	%	26.5	43.7	1.6	26.5	1.6		
8. Employee satisfaction rating has risen in my business	F	61	163	2	78	5	3.64	1.11
	%	19.7	52.8	0.6	25.2	1.6		

Total number of respondents (n) 309

Source: Field Data (2022)

The study results in Table 4.10 showed that the majority 229(74.1%) of the respondents agreed that they have increased their business profit for the last three years. However, 75(24.3%) of the respondents disagreed that they have increased their business profit for the last three years. Further, in terms of mean and standard deviation the respondents agreed that they have increased their business profit for the last three years. (Mean=3.58, standard deviation=1.03).

The study further revealed that the vast major of 275(89.0%) of the respondents that business growth has improved through innovations. However, 2(0.6%) of the respondents were under whether on business growth has improved through innovations. Additionally, the study results on mean and standard deviation revealed that the respondents agreed that business growth has improved through innovations (Mean=4.05, standard deviation=0.88).

On top of the above findings, the findings indicated 39(12.6%) of the participants strongly agreed that they have managed to create new products in their business. However, 179(57.9%) of the respondents agreed that they have managed to create new products in their business. Further, the study findings also indicated, in terms of mean and standard deviation that the respondents agreed they have managed to create new products in their business (Mean=3.52, standard deviation=1.09).

The study findings indicated that the majority of 223(72.2%) of the participants agreed that gross profit had improved businesses innovation business. Converse the above findings 84(27.2%) of the respondents disagreed that gross profit has improved business innovation business. Further, study findings also revealed, in terms of mean and standard deviation the respondents agreed that gross profit has improved due to innovation in business (Mean=3.68, standard deviation=1.20).

The study further revealed that 252(81.5%) of the participants agreed that customer satisfaction has risen in their business. On contrary to that 53(17.2%) of the respondents disagreed that customer satisfaction has risen in their business. Additionally, the study's findings demonstrated that, based on the mean and standard deviation, the respondents agreed with the statement that customer satisfaction has risen in their business (Mean=3.77, standard deviation=0.97).

Furthermore, it was noted from the study that 79 (25.6%) of the participants disagreed, however, a vast majority 225(72.8%) agree that market share has raised my sales revenue. Additionally, the study's findings demonstrated that, based on the mean and standard deviation, the respondents agreed with the statement that market share has raised my sales revenue (Mean=3.69, standard deviation=1.17).

On top of the above findings, 217(70.2%) agreed that the debt-to-equity ratio has reduced in their business. However, 87(28.1%) of the respondents disagreed that the equity ratio has reduced in their business. Additionally, the study's findings demonstrated that, based on the mean and standard deviation, the respondents agreed with the statement that the debt-to-equity ratio has reduced in their business. (Mean=3.67, standard deviation=1.18).

Finally, the majority of the respondents 224(72.5%) agreed that employees satisfaction rating has risen in their business. However, 83(26.8%) of the respondents disagreed that employee satisfaction rating has risen in their business. Further, research finding on mean and standard deviation showed that the respondents agreed with the statement that employee satisfaction rating has risen in their business (Mean=3.64, standard deviation=1.11).

4.6.2 Effect of Innovativeness on Business Performance

The first objective of the study was to determine the effect of innovativeness on the business performance of small and medium enterprises in Eldoret Town. The study findings were presented in Table 4.11.

Table 4.11 Innovativeness

Statements		SA	A	UD	D	SD	Mean	Std. dev.
1. I regularly introduce new services/products/processes through innovation	F	73	148	2	81	5	3.66	1.15
	%	23.6	47.9	0.6	26.2	1.6		
2. I have adopted new technologies in my business operation	F	121	158	4	18	8	4.18	0.92
	%	39.2	51.1	1.3	5.8	2.6		
3. I place a strong emphasis on continuous improvement in products / service delivery through innovation	F	160	119	4	21	5	4.32	0.92
	%	51.8	38.5	1.3	6.8	1.6		
4. I have new products to meet changing customer needs	F	53	223	4	18	11	3.94	0.86
	%	17.2	72.2	1.3	5.8	3.6		
5. I always value employee's innovations since they explore new to satisfy my clients services/products	F	129	148	2	25	5	4.20	0.93
	%	29.4	47.9	0.6	8.1	1.6		
Total number of respondents (n)		309						

Source: Field Data (2022)

Table 4.11 showed that the majority 321(71.5%) of the respondents agreed and 86(27.8%) that they regularly introduce new services/products/processes through innovation. In addition, both the mean and the standard deviation of the data

demonstrated that the respondents agree statement that they introduce new services/products/processes through innovation (Mean=3.66, standard deviation=1.15).

Also, 279(90.3%) agreed that they have adopted new technologies in their business operations. However, 26(8.4%) of the respondents disagreed they have adopted new technologies in their business operation. In addition, both the mean and the standard deviation of the data demonstrated that the respondents agreed with statement that they have adopted new technologies in my business their operation (Mean=4.18, standard deviation=0.92).

Further, 279(90.3%) of the respondents agreed that they place a strong emphasis on continuous improvement in product/service delivery. However, 26(8.4%) of the respondents disagreed they place a strong emphasis on continuous improvement of product service delivery. In addition, both the mean and the standard deviation of the data demonstrated that the respondents agreed with the statement they place a strong emphasis on continuous improvement in products/service delivery (Mean=4.32, standard deviation=0.92).

Further, the study indicated that 276(89.4%) of the respondents agreed that they have new products to meet changing customer needs. However, 29(9.4%) of the respondents disagreed they have new products to meet changing customer needs. In addition, both the mean and the standard deviation of the data demonstrated that the respondents agreed with the statement they have new products to meet changing customer needs (Mean=3.94, standard deviation=0.86)

Finally, majority 277(89.6%) of respondents agreed that I always value employee's innovations since they explore new to satisfy my clients services/products to satisfy my clients. However, 30(9.7%) of the respondents disagreed that they always value

employee's innovations since they explore new to satisfy my clients services/products to satisfy my clients. In addition, both the mean and the standard deviation of the data demonstrated that the respondents agreed with the statement that they always value employee's innovations since they explore new to satisfy their clients services/products (Mean=4.20, standard deviation=0.93).

4.6.3 Effect of Risk-Taking on Business Performance

The study sought to determine the effect of risk-taking on business performance of small and medium enterprises in Eldoret Town. Table 4.12 presents the study results.

Table 4.12 Risk-Taking

Statements		SA	A	UD	D	SD	Mean	Std. dev.
1. I am venturing into financial risks in order to ensure business performance	F	180	96	3	24	6	4.36	0.98
	%	58.3	31.1	1	7.8	1.9		
2. I am venturing into unexplored business with high demands from the community	F	128	161	6	8	6	4.28	0.8
	%	41.4	52.1	1.9	2.6	1.9		
3. I am venturing into new unexplored markets	F	128	161	6	30	6	4.19	1.01
	%	41.4	52.1	1.9	9.7	1.9		
4. Personal risks taking has ensured that there is growth in my business	F	182	101	3	17	6	4.41	0.91
	%	58.9	32.7	1	5.5	1.9		
5. I always differentiate my products to be more competitive	F	91	193	3	16	6	4.12	0.82
	%	29.4	62.5	1	5.2	1.9		
6. I always target different customers segments	F	171	108	3	21	6	4.35	0.94
	%	55.3	35	1	6.8	1.9		
Total number of respondents (n)		309						

Source: Field Data (2022)

Table 4.12 shows that 276(89.4%) of the respondents agreed they are venturing into financial risks in order to ensure business performance. However, 30(9.7%) of the respondents disagreed they are venturing into in financial risks in order to ensure business performance. As per the survey results, the participants disagreed in terms of mean and standard deviation that they are venturing into financial risks in order to ensure business performance (Mean, =4.36, Std. dev=0.98).

Further, 289(93.5%) of the respondents agreed with the statement they are venturing into unexplored businesses with high demands from the community. However, 14(4.5%) of the respondents disagreed they are venturing into unexplored business with high demands from the community. From mean and standard deviation, the respondents agreed that they are venturing into unexplored business with high demands from the community (Mean, =4.28, Std. dev=0.80). Also, 267(86.4%) of the respondents agreed they are venturing in new unexplored markets. However, 36(11.6%) of the respondents strongly agreed they are venturing in new unexplored markets. Analysis of mean and standard deviation revealed the respondents agreed that they are venturing in new unexplored markets (Mean, =4.19, Std. dev=1.01).

Another, the vast majority 283(91.6%) of the participants agreed that personal risks taking has ensured that there is growth of business. On contrary, 23(7.4%) of the participants strongly disagreed personal risks taking has ensured that at there is growth of business. Further, the study results also showed, in terms of mean and standard deviation respondents agreed personal risks taking has ensured that there is growth of business (Mean=4.41, standard deviation=0.91). The study findings nonetheless showed that 284(91.9%) of the participants agreed that they always differentiate products to be more competitive. Contrary to those findings 22(7.1%) of the

respondents disagreed that they always differentiate products to be more competitive. Additionally, the study's findings demonstrated that, based on the mean and standard deviation, the respondents agreed with the statement that they always differentiate products to be more competitive (Mean=4.12, standard deviation=0.82). Finally, it was noted that 279(90.3%) of the participants agreed they always target different customer segments. Conversely to that, it was noted that 27(8.7%) of the respondents disagreed that they always target different customer segments. Further, in terms of mean and standard deviation, the respondents agreed they always target different customer segments (Mean=34.29, standard deviation=0.83).

4.6.4 Effect of Pro-Activeness on Business Performance

The study also sought to describe the effect of pro-activeness on the business performance. The results were as presented in Table 4.13.

Table 4.13 Pro-Activeness

Statements		SA	A	UD	D	SD	Mean	Std. dev	
1. I often introduce new products/services/ processes	F %	94 30.4	126 40.8	3 1.0	81 26.2	5 1.6	3.72	1.2	
2. I typically initiate actions that competitors respond to	F %	81 26.2	206 66.7	3 1.0	14 4.5	5 1.6	4.11	0.7	
3. I continuously seek out new products/ processes/ services	F %	136 44.0	151 48.9	3 1.0	14 4.5	5 1.6	4.29	0.8 3	
4. I continuously monitor market trends and identifies the future needs of customers.	F %	52.1 32.2	126 40.8	3 1.0	14 4.5	5 1.6	4.37	0.8 5	
5. I always encourage employees to manage their work and have flexibility to resolve problems	F %	146 47.2	149 48.2	3 1.0	6 1.9	5 1.6	4.38	0.7 5	
Total number of respondents (n) 309									

Source: Field Data (2022)

Table 4.13 showed 94(30.4%) of the participants strongly agreed that they often introduce new products/services/ processes while 126(40.8%) of the participants agreed that they often introduce new products/services/ processes. Further, in terms of mean and standard deviation findings showed that the respondents agreed they often introduce new products/services/ processes (Mean=3.72, standard deviation=1.20).

Further, 81(26.2%) of respondents strongly agreed that they typically initiate action that competitors respond to. However, the majority 206(66.7%) of the respondents agreed that they typically initiate actions which competitors respond to. Further, the study findings revealed, in terms of mean and standard deviation the respondents agreed that they typically initiate action which competitors respond to (Mean=4.11, standard deviation=0.77).

Also, 287(92.9%) of the respondents agreed that they continuously seek out new products/ processes/ services. However, 19(6.1%) of the respondents disagreed that they continuously seek out new products/ processes/ services. Further, in terms of mean and standard deviation the respondents agreed that they continuously seek out products/processes/ services (Mean=4.29, standard deviation=0.83).

It was further noted that 161(52.1%) of the participants strongly agreed and 126(40.8%) agreed that they continuously monitor market trends and identify further needs of customers. Further, the study results also showed, in terms of mean and standard deviation that the respondents agreed they continuously monitor market trends identify the future needs of customers (Mean=4.37, standard deviation=0.85).

Finally, the majority of the respondents 146(47.2%) strongly agreed that they encourage employees to manage their own work and have flexibility to resolve problems. However, 149(48.2%) of the respondents agreed that encourage employees to manage

their own work and have flexibility to resolve problems. Further, the study results also showed, in terms of mean and standard deviation that the respondents agreed encourage employees to manage their own work and have flexibility to resolve problems (Mean=4.38, standard deviation=0.75).

4.6.5 Effect of Competitive Aggressiveness on Business Performance

The research also seeks to evaluate effect of competitive aggressiveness on business performance of small and medium enterprises in Eldoret. Table 4.14 presents the study results.

Table 4.14 Competitive Aggressiveness

Statements		SA	A	UD	D	SD	Mean	Std. dev.
1. I always use proper communication in the business to ensure that customers get information at the right time	F %	206 66.7	65 21.0	8 2.6	22 7.1	8 2.6	4.42	1.02
2. I always involve employees in problem solving of the business activities	F %	69 22.3	213 68.9	8 2.6	11 3.6	8 2.6	4.05	0.79
3. I give employees the freedom and independence in doing their work	F %	98 31.7	134 43.4	11 3.6	58 18.8	8 2.6	3.83	1.15
4. I always consider employee's opinions in decision making in order to get new ideas.	F %	68 22.0	207 67.0	8 2.6	18 5.8	8 2.6	4.00	0.85
5. The individuals in my business work as one large team to improve the business competitiveness	F %	90 29.1	134 43.4	8 6.8	69 22.3	8 2.6	3.74	1.18

Total number of respondents (n) 309

Source: Field Data (2022)

Table 4.14 showed vast majorities, 206(66.7%) of the participants strongly agreed that they always use proper communication in the business to ensure that customers get information. However, 65(21.0%) of the participants agreed that they always use proper communication in the business to ensure that customers get information. Further, the study findings indicated, in terms of mean and standard deviation the respondents agreed that they always use proper communication in the business to ensure that customers get information (Mean=4.42, standard deviation=1.02). It was further noted that 282(91.2%) of the participants agreed that they always involve employees in problem solving of the business activities. Conversely, 19(6.2%) disagreed that they always involve employees in problem solving of the business activities. Further, in terms of mean and standard deviation findings revealed the respondents agreed they always involve employees in problem solving of the business activities (Mean=4.05, standard deviation=0.79). Further findings revealed, 232(75.1%) of the respondents agreed that they give employees the freedom and independence in doing their work. However, 66(21.4%) of the respondents disagreed that they give employees the freedom and independence in doing their work. Further, in terms of mean and standard deviation the respondents agreed with the statement that they give employees the freedom and independence in doing their work (Mean=3.83, standard deviation=1.15).

Also, 68(22.0%) of the participants strongly agreed that they always consider employee's opinions in decision making in order to get new ideas. However, 207(67.0%) of the respondents agreed that they always consider employee's opinions in decision making in order to get new ideas. Further, in terms of mean and standard deviation the respondents agreed they always consider employee's opinions in decision making in order to get new ideas (Mean=4.00, standard deviation=0.85).

Finally, 90(29.1%) of the participants strongly agreed that the individuals in their business work as one large team to improve the business competitiveness while majority of the respondents 134(43.4%) agreed that the individuals in their business work as one large team to improve the business competitiveness. Further, in terms of mean and standard deviation study results showed that the respondents agreed the individuals in their business work as one large team to improve the business competitiveness (Mean=3.74, standard deviation=1.18).

4.6.6 Effect of Autonomy on Business Performance

The study also sought to describe the effect of autonomy on business performance of small and medium enterprises in Eldoret. Table 4.15 presents the study results.

Table 4.15 Autonomy

Statements		SA	A	UD	D	SD	Mean	Std. dev.
1. I do not give employees the freedom to act	F	15	99	3	171	21	2.73	1.13
	%	4.9	32.0	1.0	55.3	6.8		
2. I allow business employees to deal with problems and opportunities	F	58	223	3	13	12	3.98	0.85
	%	18.8	72.2	1.0	14.2	3.9		
3. The operating divisions are quite independent in my business	F	75	123	3	96	12	3.50	1.26
	%	24.3	39.8	1.0	31.1	3.9		
4. Employees need to take consent from me in order to take decisions	F	132	140	3	22	12	4.16	1.02
	%	47.2	45.3	1.0	7.1	3.9		
5. I assign new responsibilities to employees	F	153	115	3	26	12	4.20	1.07
	%	49.5	37.2	1.0	8.4	3.9		

Total number of respondents (n) 309

Source: Field Data (2022)

Table 4.15 showed that of the respondents 114(23.9%) agreed that they do not give employees the freedom to act. However, majority of the respondents 192(62.1%) of the respondents disagreed that they do not give employees the freedom to act. Further, the study results also showed, in terms of mean and standard deviation that the respondents disagreed they do not give employees the freedom to act (Mean=2.73, standard deviation=1.13).

Also, 281(9.1%) of the respondents agreed and 25(8.1%) disagreed that they allow business employees to deal with problems and opportunities. Further, the study results also showed, in terms of mean and standard deviation that the respondents agreed they allow business employees to deal with problems and opportunities (Mean=3.98, standard deviation=0.85).

Further, 198(64.1%) of the respondents agreed that the operating divisions are quite independent in their business. On contrary to that, 108(35.0%) of the respondents disagreed that the operating divisions are quite independent in their business. Further, the study results also showed, in terms of mean and standard deviation that the respondents agreed the operating divisions are quite independent in their business (Mean=3.50, standard deviation=1.26).

The study nonetheless showed that, 272(88.0%) of the participants agreed that employees need to take consent from them in order to take decisions. However, 34(11.0%) of the respondents disagreed that employees need to take consent from them in order to take decisions. Further, the study results also showed, in terms of mean and standard deviation that the respondents agreed with the statement that employees need to take consent from them in order to take decisions (Mean=4.16, standard deviation=1.02).

Finally, majority 268(86.7%) of the respondents agreed that they assign new responsibilities to employees. On contrary to that, 38(12.3%) of the respondents disagreed that they assign new responsibilities to employees. Further, the study results also showed, in terms of mean and standard deviation that the respondents agreed with the statement they assign new responsibilities to employees (Mean=4.20standard deviation=1.07).

4.6.7 Financial Capital Access

The study assessed financial capital access at Eldoret town. Table 4.16 presented the results.

Table 4.16 Financial Capital Access

Statements		SA	A	UD	D	SD	Mean	Sd
1 I am able to access credit to my daily operations	F	121	115	2	59	12	3.89	1.23
	%	39.2	37.2	0.6	19.1	3.9		
2. I am able to access loan finance from micro finances	F	103	191	2	7	6	4.22	0.75
	%	33.3	61.8	0.6	2.3	1.9		
3. I am able to access loan finance from banks	F	133	139	2	26	9	4.17	1.01
	%	43.0	45.0	0.6	8.4	2.9		
4. I am not able to access financial capital due to lack of awareness of financial capital information	F	126	80	5	92	6	3.74	1.31
	%	40.8	25.9	1.6	29.8	1.9		
5. I have gain entrepreneur's trust from my business partners who lent me money when in need	F	162	129	2	10	6	4.39	0.83
	%	52.4	41.7	0.6	3.2	1.9		
Total number of respondents (n) 309								

Source: Field Data (2022)

Table 4.16 shows that 236(76.4%) of the respondents agreed with the statement that they able to access credit to daily operations. However, 71(23.0%) of the respondents disagreed that they are able to access credit to daily operations. Results of the survey showed that, in terms of mean and standard deviation, participants agreed they are able to access credit to daily operations (Mean, =3.89, Std. dev=1.23).

The study findings also revealed that 294(95.1%) of the respondents agreed with the statement that they are able to access loan finance from micro finances. However, 13(4.2%) of the respondents disagreed that they are able to access loan finance from micro finances. Results of the survey demonstrated that, in regards of mean and standard deviation, participants agreed they are able to access loan finance from micro finances (Mean, =4.22, Std. dev=0.75).

Further, 272(88.0%) of the respondents agreed they are able to access loan finance from banks. However, 35(11.3%) of the respondents disagreed that they are able to access loan finance from banks. Results of the survey demonstrated that, in regards of mean and standard deviation, participants agreed they are able to access loan finance from banks (Mean, =4.17, Std. dev=1.01).

Another, 206(66.7%) of the respondents agreed with the statement that they are not able to access financial capital due to lack of awareness of financial capital information. However, 98(31.7%) of the respondents disagreed that they are not able to access financial capital due to lack of awareness of financial capital information. Results of the survey demonstrated that, in regards of mean and standard deviation, participants agreed they are not able to access financial capital due to lack of awareness of financial capital information (Mean, =3.74, Std. dev=1.31).

Finally, 291(94.1%) of the respondents agreed that they have gain entrepreneur's trust from my business partners who lent them money when in need. However, 16(5.1%) of the respondents disagreed they have gain entrepreneur's trust from my business partners who lent them money when in need. According to the survey results, the participants disagreed with the statement in terms of mean and standard deviation that they have gain entrepreneur's trust from my business partners who lent them money when in need (Mean, =4.39, Std. dev=0.83).

4.7 Multiple Regression Assumptions Test

Multiple regression assumptions were run prior to conducting a regression model. The assumptions of regression run were; normality and linearity, multicollinearity and homoscedasticity.

4.7.1 Normality Assumptions Test

The study used Kolmogorov-Smirnov test (K-S) one sample test while testing the assumption of the normality of the population distribution. If Kolmogorov-Smirnov values is greater than 0.05, the data is normally distribution (Tabachnic, 2001). Normality assumptions test are presented in in Table 4.17.

Table 4.17 Normality Assumptions Test

Variable	Kolmogorov- Smirnov	Sig
Innovativeness	.363	.254
Risk-taking	.219	.189
Pro-activeness	.471	.110
Competitive aggressiveness	.360	.165
Autonomy	.162	.126

Source: Field Data (2022)

Normality assumption test results in Table 4.17 established that the data was normally distributed since the significance values for Kolmogorov-Smirnov were greater than 0.05. The study findings indicated that innovativeness had Kolmogorov-Smirnov significance value of $p=.254 > 0.05$. Risk-taking had Kolmogorov-Smirnov significance value of $p=.189 > 0.05$. Pro-activeness had Kolmogorov-Smirnov significance value of $p=.110 > 0.05$. Competitive aggressiveness had Kolmogorov-Smirnov significance value of $p=.165 > 0.05$. Autonomy had Kolmogorov-Smirnov significance value of $p=.126 > 0.05$. Since the p-values were greater than the significance level (0.05), this implies that the data were normally distributed.

4.7.2 Test of Linearity

Correlation analysis was used in testing of linearity of the data. If there is a significant correlation between independent variables and dependent variable it implies that there is a linear relationship between the variables. If the correlation coefficient is significantly not different from zero it implies that there is no significant linear relationship between independent variables and dependent variable. The test for linearity results is presented in Table 4.18.

Table 4.18 Linearity Test

Variables	Performance	Sig
Innovativeness	.571**	.000
Risk-taking	.558**	.000
Pro-activeness	.567**	.000
Competitive aggressiveness	.499**	.000
Autonomy	.437**	.000

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

Source: Field Data (2022)

Results presented in Table 4.18 revealed that innovativeness had a correlation coefficient of 0.571 and significance value of $p=.000<0.01$. Risk-taking had a correlation coefficient of 0.558 and significance value of $p=.000<0.01$. Pro-activeness had a correlation coefficient of 0.567 and significance value of $p=.000<0.01$. Competitive aggressiveness had a correlation coefficient of 0.499 and significance value of $p=.000<0.01$. Autonomy had a correlation coefficient of 0.437 and significance value of $p=.000<0.01$. These implied that the correlation coefficient values for the five study variables were different from zero indicating that the linearity assumption was made. This gave an implication that the data used were linear.

4.7.3 Multicollinearity Test

In order to diagnose multicollinearity assumptions, the study used variance inflation factors and tolerance. Multicollinearity Test results are presented in Table 4.19.

Table 4.19 Multicollinearity Diagnostics

Variables	Tolerance	VIF
Strategy formulation practices	.617	1.620
Risk-taking	.591	1.691
Pro-activeness	.567	1.764
Competitive aggressiveness	.611	1.636
Autonomy	.788	1.269

Source: Field Data (2022)

As shown in Table 4.19 the study revealed that innovativeness had tolerance value of 0.617 and variance inflation factor value of 1.620. Risk-taking had tolerance value of 0.591 and variance inflation factor value of 1.691. Pro-activeness had tolerance value of 0.567 and variance inflation factor value of 1.764. Competitive aggressiveness had tolerance value of 0.611 and variance inflation factor value of 1.636. Autonomy had tolerance value of 0.788 and variance inflation factor value of 1.269. This implied that

all the VIF values were below the threshold value of 10 and tolerance value were above threshold value of 0.1 indicating that multicollinearity was not an issue in the present study.

4.7.4 Homoscedasticity Assumption

Levene's test of equality of error variances was used to homoscedasticity assumption.

The assumption test results are presented in Table 4.20.

Table 4.20 Homoscedasticity Assumption

F	df1	df2	Sig.
2.722	65	76	.291

Source: Field Data (2022)

The study results in Table 4.20 indicated that the p-value in Levene's test was .291 which was above 0.05. Thus, the homoscedasticity assumption was made showing that data used had no heteroscedasticity.

4.8 Inferential Analysis

Inferential analysis used in this section was correlation and multiple regression models.

Correlation and multiple regression analysis showed the relationship between independent variables and the dependent variable.

4.8.1 Correlation Analysis

Correlation analysis was done to achieve the direction and strength of the correlation between the study variables. The findings are presented in Table 4.21.

Table 4.21 Correlation Analysis

		Business Performance	Innovativeness	Risk- Taking	Pro- Activeness	Competitive Aggressiveness	Autonomy
Business Performance	Pearson Correlation Sig. (2- tailed)	1					
Innovativeness	Pearson Correlation Sig. (2- tailed)	.571**	1				
Risk-Taking	Pearson Correlation Sig. (2- tailed)	.558**	.506**	1			
	N	309	309	309			
Pro- Activeness	Pearson Correlation Sig. (2- tailed)	.567**	.497**	.534*	1		
Competitive Aggressiveness	Pearson Correlation Sig. (2- tailed)	.499**	.509**	.491*	.532**	1	
Autonomy	Pearson Correlation Sig. (2- tailed)	.437**	.338**	.389*	.398**	.264**	1
	N	309	309	309	309	309	309

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

Source: Field Data (2022)

The Table 4.21 showed that innovativeness was strongly positively and statistically significant correlated to business performance ($r=0.571$, $p<0.01$). Furthermore, the study findings revealed that risk-taking was positive and strongly correlated with business performance ($r=0.558$, $p<0.01$). Pro-Activeness was positive and strongly correlated with business performance ($r=0.567$, $p<0.01$). Competitive Aggressiveness was positive and strongly correlated with business performance ($r=0.499$, $p<0.01$). Autonomy was positive and strongly correlated with business performance ($r=0.437$, $p<0.01$).

This implied that all the study variables were positively correlated to business performance. Innovativeness contributes 57.1 % to increase in business performance. Risk-taking contributes 55.8% to increase in business performance. Pro-Activeness contributes 56.7% to increase in business performance. Competitive Aggressiveness contributes 49.9% to increase in business performance. Autonomy contributes 43.7% to increase in business performance. 0 and 1.00 are both valid values for the correlation coefficient. A number of -1.00 indicates a perfect negative correlation, whereas a value of +1.00 indicates a perfect positive correlation. Therefore, if the value is 0.00, there is no association between the two variables (Orodho, 2003).

4.8.2 Regression Analysis Results

Multiple regression analysis was utilized to look at how each variable in the study related to the others. Tables summarizing the findings are provided below.

4.8.3 Model Summary

The correlation coefficient (R) and the coefficient of determination (R²) illustrated the extent to which the independent variable explained the variance in the dependent variable, while the coefficient of determination (R²) demonstrated the strength of the relationship between the dependent and independent variables. Table 4.22 presented regression model summary findings.

Table 4.22 Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.709^a	.502	.494	.49228

Source: Field Data (2022)

Table 4.22 shows that the R value is .709, the R square is .502, and the adjusted R square is .494. In addition, the results demonstrated that innovativeness, risk-taking,

proactivity, competitive aggressiveness, and autonomy account for 49.4 percent of the variation in business performance.

4.8.4 Model Fitness

Table 4.23 displays the findings of an analysis of variance performed to assess the model fitness.

Table 4.23 Results of Model Fitness

	Sum of Squares	df	Mean Square	F	Sig.
Regression	74.045	5	14.809	61.109	.000 ^b
Residual	73.428	303	.242		
Total	147.472	308			

Source: Field Data (2022)

The study findings revealed that there was a statistical significance between the independent variables and the dependent variable ($F=61.109$; $p = 0.000 < 0.05$), as shown in Table 4.23. Since the multiple regression models fit the data well, this means that it was chosen. Innovativeness, risk-taking, proactivity, competitive aggressiveness, and autonomy all play a role in business performance.

4.8.5 Regression Coefficients

The study primary objective was to determine the study variables respective coefficients. The study findings are presented in Table 4.24.

Table 4.24 Regression Analysis Coefficient

	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	.490	.189		2.596	.010
Innovativeness	.222	.045	.252	4.883	.000
Risk-Taking	.166	.044	.198	3.755	.000
Pro activeness	.178	.046	.208	3.869	.000
Competitive	.103	.044	.120	2..317	.021
aggressiveness					
Autonomy	0.144	0.41	.160	3.502	.021

Source: Field Data (2022)

The resultant equation becomes:

$$Y=0.490+0.252X_1+0.198X_2+0.208X_3+0.120X_4+0.160X_5.....\text{Equation 4.1}$$

Where;

Y represents business performance which is the independent variable,

X₁ Innovativeness

X₂ Risk-Taking

X₃ Pro activeness

X₄ Competitive aggressiveness

X₅ Autonomy

Table 4.24 presents the regression coefficient results, which revealed a positive and statistically significant relationship between innovativeness and business performance ($\beta_1=.252$, $p=.001$). The study findings revealed there was a statistically significant effect of risk-taking on business performance ($\beta_2=.198$, $p=.000$). The study findings further revealed that pro activeness has a positive significant effect on business performance ($\beta_3=.208$, $p=.000$). Competitive aggressiveness as a positive and significantly influence on business performance ($\beta_4=.120$, $p=0.021$). The study findings revealed that autonomy has a positive and statistically significant influence on business performance ($\beta_5=.160$, $p=0.021$). Thus, the total regression results indicate a positive

and significant influence of innovativeness, risk-taking, Pro-activeness, competitive aggressiveness, and autonomy business performance.

4.9 Hierarchical Moderated Regression Analysis

Hierarchical moderated regression analysis was conducted for each independent variable to identify the unique moderating influence of financial capital access on business performance.

4.9.1 Model Summary

Model summary shows the variations in R^2 from model 1 to model 5 as presented in Table 4.25.

Table 4.25 Multiple Regression Model Summary Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			
						F Change	df1	df2	Sig. F Change
1	.709 ^a	.502	.494	.49228	.502	61.109	5	303	.000
2	.719 ^b	.517	.508	.48548	.015	9.545	1	302	.002
3	.726 ^c	.527	.516	.48134	.010	6.221	1	301	.013
4	.735 ^d	.541	.529	.47512	.014	8.931	1	300	.003
5	.741 ^e	.549	.535	.47170	.008	5.367	1	299	.021
6	.747 ^f	.557	.543	.46797	.009	5.775	1	298	.017
7	.756 ^g	.571	.555	.46149	.014	9.437	1	297	.002

Source: Field Data (2022)

The values of R^2 were used to show the proportion of variation in the dependent variable explained by the model in Table 4.25. The R^2 value was statistically significant at $p < 0.001$ and indicating that the explanatory power of the independent variables was 0.502. This suggests that 50.2% of the variation in business performance was explained by the five independent variables (innovativeness, risk-taking, pro activeness,

competitive aggressiveness, and autonomy). Further, Table 4.25 gave the findings of the R^2 change. The R^2 change from model 1 to model 2 was 0.015 which changed from 0.502 to 0.517 and statistically significant ($p < 0.05$). The results showed that by including financial capital access in the model, the number of observable variables could be increased by 1.5%, hence enhancing the model's predictive power in predicting business performance.

The R^2 change from model 2 to model 3 was 0.010 which changed from 0.517 to 0.527 and statistically significant ($p < 0.05$). As a result, statistically financial capital access moderated effect of innovativeness on business performance. The R^2 change from model 3 to model 4 was 0.014 which changed from 0.527 to 0.541 and statistically significant ($p < 0.05$). This implied that financial capital access moderated the effect of innovativeness and risk taking on business performance by 1.4%.

The R^2 change from model 4 to model 5 was 0.008 which changed from 0.541 to 0.549 and statistically significant ($p < 0.001$). As a result, financial capital access moderates the effect of innovativeness, risk taking and pro-activeness on business performances by 0.8%. The R^2 change from model 5 to model 6 was 0.009 which changed from 0.549 to 0.557 statistically significant ($p < 0.05$). This revealed that financial capital access moderates the effect of innovativeness, risk taking, pro-activeness and competitiveness on business performance by 0.9%. The R^2 change from model 6 to model 7 was 0.014 which changed from 0.557 to 0.571 statistically significant. This revealed that financial capital access moderates the effect of innovativeness, risk taking, pro-activeness, competitiveness and autonomy on business performance by 1.4%.

4.9.2 Multiple Regression Model Fitness

The regression model's ability to predict the independent variable was tested using an ANOVA for statistical significance as shown in Table 4.26.

Table 4.26 Test Results for Goodness of Fit

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	74.045	5	14.809	61.109	.000 ^b
	Residual	73.428	303	.242		
	Total	147.472	308			
2	Regression	76.294	6	12.716	53.951	.000 ^c
	Residual	71.178	302	.236		
	Total	147.472	308			
3	Regression	77.736	7	11.105	47.932	.000 ^d
	Residual	69.737	301	.232		
	Total	147.472	308			
4	Regression	79.752	8	9.969	44.162	.000 ^e
	Residual	67.721	300	.226		
	Total	147.472	308			
5	Regression	80.946	9	8.994	40.423	.000 ^f
	Residual	66.527	299	.222		
	Total	147.472	308			
6	Regression	82.211	10	8.221	37.539	.000 ^g
	Residual	65.262	298	.219		
	Total	147.472	308			
7	Regression	84.220	11	7.656	35.951	.000 ^h
	Residual	63.252	297	.213		
	Total	147.472	308			

Source: Field Data (2022)

Table 4.26 provided the F test revealing the significance of the fitted regression model. An F statistic in model 1 produced the value of 61.109 implying that the independent variables were predictors of the depend variables able ($F=61.109$; $p < 0.001$). As a

result of the good fit, innovativeness, risk taking, pro-activeness, competitive advantage and autonomy had an effect on business performance when the regression was fitted.

F-value of model 2 was 53.951. Model 2 F-test got an F-value of 53.951, which corresponds to an R^2 of 0.517 and an R^2 change of 0.015. This meant that even after moderation, there was still a good fit of the model ($F=53.951$; $p < 0.05$). As a result, statistically financial capital access moderates the effect of innovativeness on business performance. F-test for model 3 has an F-value of 47.932 which is associated with an R^2 of 0.527 and R^2 change of 0.010. This meant that after moderation by financial capital access, it showed a good predictor of business performance and the total model was statistically significant (P-value 0.05) and good predictors of business performance.

Model 4 F-test got an F-value of 44.162, which corresponds to an R^2 of 0.541 and an R^2 change of 0.014. This meant that when financial capital access was moderated on innovativeness and risk taking separately revealed good predictors of business performance and that the overall model was significant as it was less than p-value 0.05 ($P < 0.05$). F-test for model 5 had an F-value of 40.423 which is associated with an R^2 of 0.549 and R^2 change of 0.008. This meant that moderation of innovativeness, risk-taking and pro-activeness by financial capital access showed a good predictor of business performance and the total model was statistically significant (P-value 0.05) and good predictors of business performance were found.

Model 6 F-test got an F-value of 37.539, which corresponds to an R^2 of 0.557 and an R^2 change of 0.009. This meant that after moderation of innovativeness, risk-taking, competitive aggressiveness and pro-activeness separately the total model was

statistically significant (P-value 0.05) and good predictors of business performance were found when financial capital access was considered.

F-test for model 7 had an F-value of 35.951 which is associated with an R^2 of 0.571 and R^2 change of 0.014. This implied that after moderation of innovativeness, risk-taking, competitive aggressiveness, pro-activeness and autonomy separately the total model was statistically significant (P-value 0.05) and good predictors of business performance were found when financial capital access was considered.

4.9.3 Multiple Regression Coefficients

The regression of coefficients results is presented in Table 4.27.

Table 4.27 Test Results for Regression Analysis Coefficients with Moderation

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1. (Constant)	.490	.189		2.596	.010
Innovativeness	.222	.045	.252	4.883	.000
Risk taking	.166	.044	.198	3.755	.000
Pro-activeness	.178	.046	.208	3.869	.000
Competitive aggressiveness	.103	.044	.120	2.317	.021
Autonomy	.144	.041	.160	3.502	.001
2.(Constant)	.190	.210		.902	.368
innovativeness	.217	.045	.246	4.826	.000
Risk taking	.185	.044	.221	4.205	.000
Pro-activeness	.156	.046	.183	3.410	.001
Competitive aggressiveness	.100	.044	.117	2.286	.023
Autonomy	.126	.041	.140	3.082	.002
M*financial capital access	.103	.033	.128	3.090	.002
3.(Constant)	.842	.334		2.518	.012
Innovativeness	.174	.048	.198	3.662	.000
Risk taking	.167	.044	.199	3.779	.000
Pro-activeness	.168	.046	.197	3.684	.000
Competitive aggressiveness	.095	.044	.111	2.185	.030
Autonomy	.141	.041	.157	3.441	.001
M*financial capital access	-.145	.105	-.180	-1.380	.168
M*Innovativeness	.325	.130	.329	2.494	.013
4 (Constant)	1.181	.349		3.385	.001

Innovativeness	.137	.049	.155	2.810	.005
Risk taking	.361	.078	.430	4.618	.000
Pro-activeness	.158	.045	.186	3.507	.001
Competitive aggressiveness	.106	.043	.124	2.461	.014
Autonomy	.144	.041	.160	3.558	.000
financial capital access	.111	.134	.137	.824	.411
M* innovativeness	.537	.147	.543	3.655	.000
M* Risk taking	-1.318	.441	-.584	-2.989	.003
5 (Constant)	1.038	.352		2.949	.003
Innovativeness	.146	.048	.166	3.020	.003
Risk taking	.376	.078	.449	4.832	.000
Pro-activeness	.104	.051	.122	2.051	.041
Competitive aggressiveness	.102	.043	.119	2.371	.018
Autonomy	.138	.040	.153	3.415	.001
financial capital access	.114	.133	.142	.856	.392
M* Innovativeness	.503	.147	.508	3.430	.001
M* Risk taking	-1.482	.444	-.656	-3.340	.001
M* Pro-activeness	.528	.228	.157	2.317	.021
6 (Constant)	1.121	.351		3.195	.002
Innovativeness	.150	.048	.170	3.111	.002
Risk taking	.382	.077	.456	4.946	.000
Pro-activeness	.095	.050	.111	1.884	.061
Competitive aggressiveness	.124	.044	.144	2.846	.005
Autonomy	.138	.040	.154	3.458	.001
financial capital access	.136	.132	.169	1.030	.304
M* innovativeness	.506	.146	.511	3.474	.001
M* Risk taking	-1.492	.440	-.661	-3.390	.001
M* Pro-activeness	.565	.227	.168	2.494	.013
M* Competitive aggressiveness	-.250	.104	-.103	-2.403	.017
7 (Constant)	1.041	.347		2.999	.003
Innovativeness	.150	.047	.170	3.161	.002
Risk taking	.422	.077	.503	5.458	.000
Pro-activeness	.094	.050	.110	1.895	.059
Competitive aggressiveness	.131	.043	.152	3.043	.003
Autonomy	.068	.046	.075	1.482	.140
financial capital access	.174	.131	.216	1.325	.186
M* innovativeness	.482	.144	.487	3.356	.001
M* Risk taking	-1.817	.447	-.805	-4.067	.000
M* Pro-activeness	.533	.224	.159	2.382	.018
M* Competitive aggressiveness	-.275	.103	-.114	-2.671	.008
M* Autonomy	.593	.193	.194	3.072	.002

Source: Field Data (2022)

Table 4.27 showed that innovativeness had a positive and significant effect on business performance ($\beta_1=0.222$, $p<0.05$) based on regression coefficients from model 1. Risk taking had a positive and significant effect on business performance ($\beta_2=0.166$, $p<0.05$). Pro-activeness had a positive and significant effect on business performance ($\beta_3=0.178$, $p<0.05$). Competitive aggressiveness had a positive and significant effect on business performance ($\beta_4=0.103$, $p<0.05$). Autonomy had a positive and significant effect on business performance ($\beta_5=0.144$, $p<0.05$).

A regression analysis was used in model two to test if financial capital access has a moderating effect on the relationship between innovativeness, risk-taking, pro-activeness, competitive aggressiveness, autonomy and business performance. The p-value which was less than 0.05, indicated that the coefficient of financial capital access was significant. Financial capital access had a moderating effect on the relationship between innovativeness, risk-taking, pro-activeness competitive aggressiveness, autonomy and business performance, because the coefficient was significant.

In model three a regression analysis revealed that financial capital access had a negative moderating effect on the relationship between innovativeness and business performance ($p=0.013<0.05$). In model four a regression analysis revealed that financial capital access had a positive and significant moderating effect on the relationship between innovativeness and business performance ($p<0.05$). However, financial capital access had a negative and significant moderating effect on the relationship between risk taking and business performance ($p<0.05$).

Regression analysis in model five showed that financial capital access had a positive and significant moderating effect on the relationship between innovativeness and business performance ($\beta=0.503$; $p<0.05$). Financial capital access has a negative and

significant moderating effect on the relationship between risk taking and business performance ($\beta=-1.482$; $p<0.05$). Financial capital access has a positive and significant moderating effect on the relationship between pro-activeness and business performance ($\beta=0.528$; $p<0.05$).

In model six a regression analysis revealed that financial capital access has a positive and significant moderating effect on the relationship between innovativeness and business performance ($\beta=0.506$; $p<0.05$). The financial capital access had a negative and significant moderating effect on the relationship between risk taking and business performance ($\beta=-0.492$; $p<0.05$). Financial capital access has a positive and significant moderating effect on the relationship between pro-activeness and business performance ($\beta=0.565$; $p<0.05$). However, financial capital access had a negative and statistically significant moderating effect on the relationship between competitive aggressiveness and business performance ($\beta=-0.250$, $p<0.05$).

In model seven a regression analysis revealed that financial capital access had a positive and significant moderating effect on the relationship between innovativeness and business performance ($\beta=0.482$; $p<0.05$). The financial capital access had a negative and significant moderating effect on the relationship between risk taking and business performance ($\beta=-1.817$; $p<0.05$). Financial capital access had a positive and significant moderating effect on the relationship between pro-activeness and business performance ($\beta=0.533$; $p<0.05$). However, financial capital access had a negative and statistically significant moderating effect on the relationship between competitive aggressiveness and business performance ($\beta=-0.275$, $p<0.05$). Also, financial capital access had a positive and statistically significant moderating effect on the relationship between autonomy and business performance ($\beta = 0.593$, $p<0.05$).

The optimal model was;

$$Y = 1.041 + 0.150X_1 - 0.422X_2 + 0.094X_3 - 0.131X_4 + 0.068X_5 + 0.174Z + 0.482Z * X_1 - 0.817Z * X_2 + 0.533Z * X_3 - 0.275Z * X_4 + 0.593Z * X_5$$

4.10 Hypotheses Test Results

The research hypotheses were assessed using the significance level of the coefficients from the regression model derived in Table 4.22. The goal of the study was to see if the hypothesis could be tested without rejecting or rejecting the relationship between the independent and dependent variables. The following research hypotheses were tested in the study:

4.10.1 Hypothesis Testing of the Effect of Innovativeness on the Business Performance

Hypothesis H_{01} stated that innovativeness has no significant effect on the business performance of small and medium enterprises in Eldoret Town. Results revealed that innovativeness has a positive and significant effect on the business performance of small and medium enterprises in Eldoret Town ($\beta_1=0.222$, $p<0.05$) hence rejecting the null hypothesis H_{01} .

4.10.2 Hypothesis Testing of the Effect of Risk-Taking on the Business Performance

Hypothesis H_{02} stated that risk-taking has no significant effect on the business performance of small and medium enterprises in Eldoret Town. Findings revealed that risk-taking has a positive and significant effect on the business performance of small and medium enterprises in Eldoret Town ($\beta_2=0.131$, $p<0.05$). The null hypothesis H_{02} was rejected, indicating that risk-taking had a significant effect on business performance.

4.10.3 Hypothesis Testing of the Effect of Proactiveness on the Business Performance

Hypothesis H₀₃ stated that pro-activeness has no significant effect on the business performance of small and medium enterprises in Eldoret Town. The findings revealed that pro-activeness has a positive and significant effect on the business performance of small and medium enterprises ($\beta_3=0.178$, $p<0.05$). The results showed that pro-activeness had a significant effect on business performance, rejecting the null hypothesis H₀₃.

4.10.4 Hypothesis Testing of the effect of Competitive Aggressiveness on the business performance

Hypothesis H₀₄ stated that competitive aggressiveness has no significant effect on the business performance of small and medium enterprises in Eldoret Town. Competitive aggressiveness has a positive and significant effect on business performance of small and medium enterprises ($\beta_4=0.103$, $p<0.05$). The results showed that competitive aggressiveness had a significant effect on business performance of small and medium enterprises, rejecting the null hypothesis H₀₄.

4.10.5 Hypothesis Testing of the effect of Autonomy on the business performance

Hypothesis H₀₅ stated that autonomy has no significant effect on the business performance of small and medium enterprises in Eldoret Town. Autonomy has a positive and significant effect on business performance of small and medium enterprises ($\beta_5=0.144$, $p<0.05$). The results showed that autonomy had a significant effect on the business performance of small and medium enterprises, rejecting the null hypothesis H₀₅.

4.10.6 Hypothesis Testing of Financial Capital Access on the Relationship Between Innovativeness and Business Performance

Hypothesis H_{06a} stated that financial capital access has no significant moderating effect on the relationship between innovativeness and business performance of small and medium enterprises in Eldoret Town. Results revealed that financial capital access has a positive and significant moderating effect on the relationship between innovativeness and business performance of small and medium enterprises ($\beta_{6a}=0.482$; $p<0.05$). The null hypothesis H_{06a} was rejected based on the findings, implying that financial capital access moderates the relationship between innovativeness and business performance of small and medium enterprises.

4.10.7 Hypothesis Testing of Financial capital access on the Relationship Between Risk-taking and Business performance

Hypothesis H_{06b} financial capital access has no significant moderating effect on the relationship between risk-taking and business performance of small and medium enterprises in Eldoret Town. Results revealed that financial capital access has a negative significant moderating effect on the relationship between risk-taking and business performance of small and medium enterprises ($\beta_{6b}=-1.817$; $p<0.05$). The null hypothesis H_{06b} was rejected based on the findings, implying that financial capital access moderates the relationship between risk-taking and business performance of small and medium enterprises.

4.10.8 Hypothesis Testing of Financial capital access on the Relationship Between Proactiveness and Business performance

Hypothesis H_{06c} stated that financial capital access has no significant moderating effect on the relationship between proactiveness and business performance of small and

medium enterprises in Eldoret Town. Results showed that financial capital access has a positive and significant moderating effect on the relationship between proactiveness and business performance of small and medium enterprises ($\beta_{6c}=0.533$; $p<0.05$). The results showed that financial capital access had a moderating influence on the relationship between proactiveness and business performance of small and medium enterprises, hence rejecting the null hypothesis H_{06c} .

4.10.9 Hypothesis Testing of Financial capital access on the Relationship Between Competitive aggressiveness and Business performance

Hypothesis H_{06d} stated that financial capital access has no significant moderating effect on the relationship between competitive aggressiveness and the business performance of small and medium enterprises in Eldoret Town. The findings revealed that financial capital access has a negative significant moderating effect on the relationship between competitive aggressiveness and business performance of small and medium enterprises ($\beta_{6d}=-0.275$; $p<0.05$). The results showed that financial capital access had a moderating influence on the relationship between competitive aggressiveness and business performance of small and medium enterprises, hence rejecting the null hypothesis H_{06d} .

4.10.10 Hypothesis Testing of Financial capital access on the Relationship Between autonomy and Business performance

Hypothesis H_{06e} stated that financial capital access has no significant moderating effect on the relationship between autonomy and business performance of small and medium enterprises in Eldoret Town. The findings revealed that financial capital access has a positive significant moderating effect on the relationship between autonomy and business performance of small and medium enterprises ($\beta_{6e}=0.593$; $p<0.05$). The results showed that financial capital access had a moderating influence on the relationship

between autonomy and business performance of small and medium enterprises, hence rejecting the null hypothesis H_{06e} .

Table 4.28 Summary of Hypotheses Test Results

Hypothesis	β-value	p-value	Decision rule
H₀₁ . Innovativeness has no significant effect on the business performance of small and medium enterprises	$\beta_1=0.222$	$p=0.000<0.05$	Rejected the null hypothesis
H₀₂ . Risk-taking has no significant effect on the business performance of small and medium enterprises	$\beta_2=0.166$	$p=0.000<0.05$	Rejected the null hypothesis
H₀₃ . Pro-activeness has no significant effect on the business performance of small and medium enterprises	$\beta_3=0.178$	$p=0.000<0.05$	Rejected the null hypothesis
H₀₄ . Competitive aggressiveness has no significant effect on the business performance of small and medium enterprises	$\beta_4=0.103$	$p=0.021<0.05$	Rejected the null hypothesis
H₀₅ . Autonomy has no significant effect on the business performance of small and medium enterprises	$\beta_5=0.144$	$p=0.001<0.05$	Rejected the null hypothesis
H_{06a} . Financial capital access has no significant moderating effect on the relationship between innovativeness and business performance	$\beta_{6a}=0.482$	$p=0.001<0.05$	Rejected the null hypothesis
H_{06b} . Financial capital access has no significant moderating effect on the relationship between risk-taking and business performance	$B_{6b}=-1.817$	$p=0.000<0.05$	Rejected the null hypothesis
H_{06c} . Financial capital access has no significant moderating effect on the relationship between proactiveness and business performance	$B_{6c}=0.533$	$p=0.018<0.05$	Rejected the null hypothesis
H_{06d} . Financial capital access has no significant moderating effect on the relationship between competitive aggressiveness and the business performance of small and medium enterprises in Eldoret Town.	$B_{6d}=-.275$	$p=0.008<0.05$	Rejected the null hypothesis
H_{06e} . Financial capital access has no significant moderating effect on the relationship between autonomy and business performance of small and medium enterprises in Eldoret Town.	$B_{6e}=0.593$	$p=0.002<0.05$	Rejected the null hypothesis

Source: Field Data (2022)

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary of the results of a study, conclusions, and implications. It also gives suggestions further for study and research areas.

5.2 Summary of the Findings

The findings of the investigation are summarized in this section.

5.2.1 Business Performance

Study findings from business performance revealed that the majority of the respondents agreed that they had increased their business profit for the last three years. The study further revealed that most respondents agreed that business growth has improved through innovations. On top of the above findings, the participants strongly agreed that they have managed to create new products in their business. The study nonetheless indicated that most participants agreed that business innovation improved gross profit. The study further revealed that the participants agreed that customer satisfaction has risen in their business.

Furthermore, it was noted from the study that the majority agreed that market share had raised their sales revenue. On top of the above findings, another study showed that the respondents agreed that their business's debt-to-equity ratio has reduced. Finally, most respondents agreed that employee satisfaction rating has risen in their business.

5.2.2 Innovativeness and Business Performance

The first specific objective of the study was to examine the effect of innovativeness on the business performance of small and medium enterprises in Eldoret Town. Most respondents agreed that they regularly introduce new services/products/processes

through innovation. Also, the respondents agreed that they had adopted new technologies in their business operations. Further, the respondents agreed that they strongly emphasize continuous product/service delivery improvement. It was also noted that the respondents agreed that they have new products to meet changing customer needs. Finally, most agreed that they always value employee innovations since they explore new services/products to satisfy their clients.

The study findings further revealed that innovativeness was strongly positively and statistically significant correlated to business performance. Results revealed that innovativeness has a positive and significant effect on the business performance of small and medium enterprises in Eldoret Town ($\beta_1=0.222$, $p<0.05$) hence rejecting the null hypothesis. Financial capital access had an enhancing moderating effect on the relationship between innovativeness and business performance (R^2 change =0.010).

5.2.3 Risk-Taking and Business Performance

The second specific objective of the study was to determine the effect of risk-taking on the business performance of small and medium enterprises in Eldoret Town. The study's respondents agreed that they are venturing into financial risks to ensure business performance. Further, the respondents agreed they are venturing into a new business with high demands from the community. Also, the respondents' agreed they are venturing into new unexplored markets. Another study indicated that the vast majority of the participants agreed that personal risk taking has ensured the business's growth. Also shown, the participants agreed that they always differentiate products to be more competitive. Finally, it was noted that the participants agreed that they always target different customer segments.

Furthermore, the study findings revealed that risk-taking was positive and strongly correlated with business performance ($r=0.558$, $p<0.01$). Findings revealed that risk-taking has a positive and significant effect on the business performance of small and medium enterprises in Eldoret Town ($\beta_2=0.131$, $p<0.05$). The null hypothesis H_{02} was rejected, indicating that risk-taking had a significant effect on business performance. the financial capital access had an enhancing moderating effect on the relationship between risk-taking business performance (R^2 change= 0.014).

5.2.4 Pro-Activeness and Business Performance

The third species of the study was to assess the effect of pro-activeness on the business performance of small and medium enterprises in Eldoret Town. The study showed that the participants strongly agreed that they often introduce new products/services/processes. Further, the respondents strongly agreed that they typically initiate actions which competitors respond to. Also, the respondents agreed that they continuously seek new products/ processes/ services. It was further noted that the participants strongly agreed that they continuously monitor market trends and identify customers' future needs.

Finally, most respondents strongly agreed that they encourage employees to manage their work and have the flexibility to resolve problems. Pro-Activeness was positive and strongly correlated with business performance ($r=0.567$, $p<0.01$). The findings revealed that pro-activeness has a positive and significant effect on the business performance of small and medium enterprises ($\beta_3=0.178$, $p<0.05$). The results showed that pro-activeness had a significant effect on business performance, rejecting the null hypothesis H_{03} . Financial capital access had an enhancing moderating effect on the relationship between pro-activeness and business performance (R^2 change = 0.008).

5.2.5 Competitive Aggressiveness and Business Performance

The study's fourth goal was to explore the effect of competitive aggressiveness on the business performance of small and medium enterprises in Eldoret. The study showed that most participants strongly agreed that they always use proper communication in the business to ensure that customers get information. It was further noted that the participants agreed that they always involve employees in problem solving business activities. Further findings revealed that the respondents agreed they give employees freedom and independence. Also, the participants strongly agreed that they always consider employees' opinions in decision making in order to get new ideas. Finally, the participants strongly agreed that individuals working as one large team improve business competitiveness.

The study findings revealed that competitive aggressiveness was positive and strongly correlated with business performance ($r=0.499$, $p<0.01$). Competitive aggressiveness has a positive and significant effect on business performance of small and medium enterprises ($\beta_4=0.103$, $p<0.05$). The results showed that competitive aggressiveness had a significant effect on business performance of small and medium enterprises, rejecting the null hypothesis H_{04} . The study finding further revealed that financial capital access had an enhancing moderating effect on the relationship between competitive aggressiveness and business performance (R^2 change =0.009).

5.2.6 Autonomy and Business Performance

The final objective of the study was to establish the effect of autonomy on the business performance of small and medium enterprises in Eldoret. The study showed that respondents 114(23.9%) agreed that they do not give employees the freedom to act. Also, the respondents agreed that they allow business employees to deal with problems

and opportunities. Further, the respondents agreed that the operating divisions are pretty independent in their business. The study nonetheless showed that the participants agreed that employees need to take consent from them in order to take decisions. Finally, the majority of the respondents agreed that they assign new responsibilities to employees.

Autonomy was positive and strongly correlated with business performance ($r=0.437$, $p<0.01$). Autonomy has a positive and significant effect on business performance of small and medium enterprises ($\beta_5=0.144$, $p<0.05$). The results showed that autonomy had a significant effect on the business performance of small and medium enterprises, rejecting the null hypothesis H_{05} . Financial capital access has an enhancing moderating effect on the relationship between autonomy and business performance (R^2 change=0.014).

5.2.7 Moderating effect of financial capital access on relationship between innovativeness, risk-taking, pro-activeness, competitive aggressiveness, autonomy and business performance

The study findings revealed that financial capital access had a positive and significant moderating effect on the relationship between innovativeness and business performance ($\beta=0.482$; $p<0.05$). The financial capital access had a negative and significant moderating effect on the relationship between risk taking and business performance ($\beta=-1.817$; $p<0.05$). Financial capital access had a positive and significant moderating effect on the relationship between pro-activeness and business performance ($\beta=0.533$; $p<0.05$). However, financial capital access had a negative and statistically significant moderating effect on the relationship between competitive aggressiveness and business performance ($p= -.275$, $p<0.05$). Also, financial capital access had a

positive and statistically significant moderating effect on the relationship between autonomy and business performance ($p= 0.593$, $p<0.05$).

5.3 Discussions of the Study Results

This section discusses the study findings based on the study variables.

5.3.1 Business Performance

The study findings revealed that majority 229(74.1%) of respondents agreed that they have increased their business profit for the last three years. The study findings concurred with Clifton et al. (2020) who noted that businesses have increased their profitability due adoption of innovation technology and entrepreneurial skills applied in the business. Further majority 275(89.0%) of the respondents agreed that business growth has improved through innovations. The study findings agreed with Tidd and Bessant (2020) who noted that through an innovative approach, SMEs have identified growth opportunities and improve performances through their business strategies. Innovative thinking had enabled the SMEs to expand their business and gave them the upper hand on their competitors. Furthermore majority 179(57.9%) of the respondents agreed that they have managed to create new products in their business. The study findings agrees with the study done by Charter and Tischner (2017) who found that new products and services are the lifeblood of all businesses. Investing in their development isn't an optional extra - it is crucial to business growth and profitability. But embarking on the development process is risky. It needs considerable planning and organisations. The study none the less indicated that the majority 223(72.2%) of the participants agreed that gross profit has improved due to innovation in business. The study findings agree with the study done by Nariswari and Nugraha (2020) who found out that an increase in gross margin is important for a business because companies can use the

money from the gross profit to increase cash flow, to work on other projects or to expand. In addition, one can spend additional amounts on marketing to increase sales. The study further revealed that 252(81.5%) of respondents agreed with the statement that customer satisfaction has risen in their business. The study findings agrees with the study done by Leninkumar (2017) who indicated that one of the most important business can do to improve customer satisfaction is to provide excellent customer support. This means being attentive, responsive, and helpful when your customers need you.

Furthermore, it was noted from the study that 225(72.8%) of the respondents agreed that market share has raised my sales revenue. The study findings agree with the study done by Kumar, Anand and Song (2017) who notes that as market share increases, a business is likely to have a higher profit margin, a declining purchases-to-sales ratio, a decline in marketing costs as a percentage of sales, higher quality, and higher priced products

Additionally, respondents agreed that the debt-to-equity ratio has reduced in their business. The study findings goes hand in hand with the study done by Rahmadi (2020) who asserted that for company to reduce debt to equity ratio there is a need to increasing sales revenues and hopefully profits. This can be achieved by raising prices, increasing sales, or reducing costs. The extra cash generated can then be used to pay off existing debt.

The majority of the respondents 224(72.5%) agreed that employee satisfaction rating has risen in their business. The study findings agrees with the study done by Hiremath, Mohapatra and Paila (2021) who found that investing in employees by offering training, up-skilling, mentoring or coaching is proven to enhance their satisfaction and

engagement with the business. As an employer, you not only benefit from happier employees, but the additional skills and expertise they are subsequently able to offer.

5.3.2 Effect of Innovativeness on Business Performance

The study findings on objective one revealed that majority 321(71.5%) of the respondents agreed they introduce new services/products/processes through innovation. The study findings agrees with the study done by Chester Goduscheit and Faillant, (2018), who showed that product innovation is about developing and launching a new product, service innovation is about developing a new service, and all process improvements are covered by process innovation. New products or services can be launched within your existing business model or within a new business model.

Also, 279(90.3%) of the respondents agreed with statement that they have adopted new technologies in my business their operation. The study findings agree with the study done by Bird and Osland (2017) who found that introducing technological change into an organization presents a different set of challenges to management than does the work of competent project administration.

Further, 279(90.3%) of the respondents agreed that they place a strong emphasis on continuous improvement in products/service delivery. The study findings agreed with the study done by Jurburg, Viles, Tanco and Mateo, (2017) who found that to achieve continuous delivery, a business should apply the continuous improvement mindset. This is a business culture that encourages all employees to look for ways to enhance the business's operations.

Further, the study indicated that 276(89.4%) of the respondents agreed that they have new products to meet changing customer needs. The study findings agree with the study done by Cooper (2019) who indicated that product development strategies are important

to ensure value for your potential customers, as well as ensuring that there is demand and that your final products are of the highest possible quality before you take the products to market.

The study findings further revealed that innovativeness was strongly positively and statistically significant correlated to business performance. The study agreed with Atalay, Anafarta and Sarvan, (2013) who noted that innovation is widely regarded as one of the most important sources of sustainable competitive advantage in an increasingly changing environment, because it leads to product and process improvements, makes continuous advances that helps firms to survive, allows firms to grow more quickly, be more efficient, and ultimately be more profitable than non-innovators. Technological innovation (product and process innovation) has significant and positive impact on firm performance. The study findings further revealed that financial capital access had an enhancing moderating effect on the relationship between innovativeness and business performance (R^2 change =0.010). The study findings agreed with Osano and Languitane (2016) who noted that financial innovation's ease access to funding, on the other hand, encourages businesses to invest more and take on more risk, boosting bank performance.

5.3.3 Effect of Risk-Taking on Business Performance

The study findings revealed that 276(89.4%) of the respondents agreed that they are venturing into financial risks in order to ensure business performance. The study findings disagreed with Na Ranong, and Phuenggam, W. (2009) who found a set of seven critical success factors which can be used as a guideline on how to increase the effectiveness of risk management procedures. These factors are; commitment and support from top management, communication, culture, information technology (IT),

organization structure, training and trust. Because risk management is an important part of the financial industry, effectiveness is vital to increase project success.

Further, 289(93.5%) of the respondents agreed that they are venturing into unexplored business with high demands from the community. The study findings agreed with the study done by Muo and Azeez (2019) who found that identifying and exploiting new opportunities in an ongoing way helps firms survive, thrive and remain competitive in their markets. Where this is widespread, the entire economy enjoys sustainable development.

Also, 267(86.4%) of the respondents agreed that they are venturing in new unexplored markets. The study agrees with the study done by O'Reilly and Binns, (2019) who asserts that new ventures, or entrepreneurial ventures, are broadly defined as those firms that are in their early stages of development and growth. Often, they are in the process of bringing their initial products or services to the market and of developing their customer base.

Another, the vast majority 283(91.6%) of the participants agreed that personal risks taking has ensured the that there is growth of business. The study findings goes hand in hand with the study done by McNeill and Snowdon (2019) who showed that breaking through the barrier to success is what all businesses strive for. Embracing risk over the lifetime of the business may be scary or difficult, but it can be the element that creates sensational long-term success.

The study nonetheless showed that 284(91.9%) of the participants agreed that they always differentiate products to be more competitive. The study findings agrees with the study done by Nuccio and Guerzoni (2019) who found that product differentiation is important because it allows different brands or companies to gain a competitive

advantage in the market. If differentiation were unachievable, the bigger companies with economies of scale would always dominate the market because they can undercut smaller producers in terms of price.

Finally, it was noted that 279(90.3%) the respondents agreed that they always target different customer segments. The study findings agreed with the study done by Westman et al., (2022) who found that a multisegment marketing strategy can allow a company to respond to demographic and other changes in markets, including economic downturns. Concentrated marketing involves targeting a very select group of customers. Niche marketing involves targeting an even more select group of consumers.

Furthermore, the study findings revealed that risk-taking was positive and strongly correlated with business performance ($r=0.558$, $p<0.01$). The study findings agreed with Wambugu, Gichira, Wanjau and Mung'atu (2015) that risk taking has a positive impact on firm performance of Agro processing SMEs in Kenya. The element of risk taking in entrepreneurial orientation reflects calculated and manageable risks. Risk taking is a dominant attribute of entrepreneurship as the higher the risk-taking orientation, the higher a firm's profitability and growth. The study findings further revealed that the financial capital access had an enhancing moderating effect on the relationship between risk-taking business performance (R^2 change=0.014). The study findings agreed with Ngek (2016) who noted that without sufficient access to financing, the operating power of any business and its potential for growth is at risk.

5.3.4 Effect of Pro-Activeness on Business Performance

The study findings indicated that the respondents agreed they often introduce new products/services/ processes. The disagreed with the study done by Kabeyi (2019) who showed that introducing a new product or service is not an easy task. One that requires

careful planning and organizing if you want the launch to be successful. There's always the possibility that the new product or service will fail.

Further, the study findings revealed respondents agreed that they typically initiate act which competitors respond to. The study findings agrees with the study done by Wang, Wang and Calantone (2021) who found that competitive actions are either strategic or tactical in nature. The firm takes competitive actions to defend or build its competitive advantages or to improve its market position. Competitive responses are taken to counter the effects of a competitor's competitive action.

Further, the respondents agreed that they continuously seek products/processes/services. The study agrees with the study done by Paul (2019) who showed that developing new products provides a means to target new markets, increase market share, sell more and increase revenue streams. Meanwhile redesigning existing products enables costs to be cut, margins to be increased and ultimately more profits to be made.

It was further noted that 161(52.1%) of the participants agreed they continuously monitor market trends and identifies the future needs of customers. The study findings agrees with the study done by Preuveneers and Ilie-Zudor (2017) who found that analysing market trends is key to adapting and changing your business, keeping current and ahead of the industry, and for continual growth. Trend analysis consists of: trend data, for assessing changes within your own business performance over time

Finally, the majority of the respondents 146(47.2%) agreed encourage employees to manage their own work and have flexibility to resolve problems. The study findings agrees with the study done by Lehdonvirta (2018) who found that a flexible work environment has many benefits. It helps workers achieve greater work-life balance,

leading to increased employee satisfaction and improved morale. That in turn means employee turnover is reduced, as is the cost to recruit and train new hires.

Pro-Activeness was positive and strongly correlated with business performance ($r=0.567$, $p<0.01$). The study findings agreed with Wanjau, Mung'atu, Gichira and Wambugu (2015) who noted that proactiveness was a significant predictor of firm performance of agro processing SMEs in Kenya. Financial capital access had an enhancing moderating effect on the relationship between pro-activeness and business performance (R^2 change =0.008). The study findings concurred with Zeelie et al (2004) who identified that financial access moderate the relationship between pro-activeness and performance of microenterprises.

5.3.5 Effect of Competitive Aggressiveness on Business Performance

The research revealed that majority 206(66.7%) of the participants agreed that they always use proper communication in the business to ensure that customers get information. The study findings agrees with the study done by Harrison, Burnard and Paul (2018) who found that listening to the customer, being patient, displaying empathy, and understanding the issue or problem are skills that help you communicate effectively with the customer and are a must-have while working in customer support. It was further noted that 282(91.2%) of the participants agreed that they always involve employees in problem solving of the business activities. The study agreed further with the study done by Weygandt, Kimmel and Aly, (2020) who found that by involving others in the decision-making process, an opportunity is created for colleagues to share ideas, learn from each other, and work toward a common goal. In turn, one fosters collaboration and help break down organizational silos.

Further, findings revealed, 232(75.1%) of the respondents agreed that they give employees the freedom and independence in doing their work. The study findings agrees with the study done by Suyono and Mudjanarko (2017) who found that freedom when fostered, workplace independence promotes confidence, builds self-esteem and provides self-motivation. Employees who are given the autonomy to achieve their objectives with flexibility are more productive, motivated and passionate about their work.

Also, 207(67.0%) of the respondents agreed that they always consider employee's opinions in decision making in order to get new ideas. The study agrees with the study done by Bosman, Hartman and Sutherland (2020) did a study on employee involvement in the decision-making process shows those across the organization that their opinion is valued and trusted. It helps workers feel less like cogs in a machine and more like experts and consultants in their respective areas of expertise.

Finally, majority of the respondents 134(43.4%) agreed that the individuals in their business work as one large team to improve the business competitiveness. The study disagrees with the study done by Lei and Nguyen (2017) who found that as customer expectations continue to rise, organizations are learning that teamwork isn't just a nice to have it's a strategic advantage. High-performing teams work together more effectively to achieve the same goals, whether it's better software delivery or faster incident resolution.

The study findings revealed that competitive aggressiveness was positive and strongly correlated with business performance ($r=0.499$, $p<0.01$). The study findings were in agreement with Linyiru and Ketyenya (2017) who shows the correlation was a positive and significant between competitive aggressiveness and firm performance. The study

finding further revealed that financial capital access had an enhancing moderating effect on the relationship between competitive aggressiveness and business performance (R^2 change =0.009). The study concurred with the study of Asika and Konya (2020) who found that the relationship between competitive aggressiveness and profitability of event management firms in Port Harcourt, Nigeria is influenced by financial access.

5.3.6 Effect of Autonomy on Business Performance

The study findings revealed that majority of the respondents 192(62.1%) disagreed that they do not give employees the freedom to act. The study disagrees with the study done by Shobe (2018) who found that providing workers with freedom of choice in the workplace makes them happier and more productive than employees who have less autonomy. There are many ways to create employee freedom in the workplace.

Also, 281(9.1%) of the respondents agreed that they allow business employees to deal with problems and opportunities. The study agrees with the study done by Bleicher and Stanley (2017) who found that employees are important to the success of an organization because they help drive revenue. When employees are treated properly and given the proper guidance and tools, they can help reduce costs while also boosting sales and revenue.

Further, 198(64.1%) of the respondents agreed that the operating divisions are quite independent in their business. The study findings agrees with the study done by Kieltyka, Dao and Minh (2022) who focused on a strategic business unit, popularly known as SBU, is a fully-functional unit of a business that has its own vision and direction. Typically, a strategic business unit operates as a separate unit, but it is also an important part of the company. It reports to the headquarters about its operational status.

The study nonetheless showed that, 272(88.0%) of the participants agreed that employees need to take consent from them in order to take decisions. The study findings further agrees with the study done by Žliobaitė, (2017) who showed that under decision making process managers need to make certain assumptions about the situation in order to provide a reasonable framework for decision making. Intuition, judgment, and experience always play a major role in the decision making process under conditions of uncertainty.

Finally, majority 268(86.7%) of the respondents agreed that they assign new responsibilities to employees. The study findings agrees with the study done by Greenwood and Hinings (2017) who showed that a leader must ensure that the goals of the company are achieved and the employees interests are protected at the same time. The manager must possess superior leadership skills in order to lead the employees in a better way.

Autonomy was positive and strongly correlated with business performance ($r=0.437$, $p<0.01$). The study findings agreed with Junça-Silva and Menino (2022) who revealed that when employees are given the freedom associated with autonomy, it positively influences motivation and performance.

Financial capital access has an enhancing moderating effect on the relationship between autonomy and business performance (R^2 change=0.014). The study agreed with Ban and Bohle (2021) who found that financial autonomy, enhanced through both personal financing and availability of external finance sources, plays a central role in firm business.

5.3.7 Financial Capital Access

The study findings revealed that 236(76.4%) of the respondents agreed that they are able to access credit to daily operations. The study agrees with the study done by Juselius and Tarashev (2021) who found that having access to business credit is the lifeline for a business. It enables business to obtain the capital you need to expand, cover day to day expenses, purchase inventory, hire additional staff and allows you to conserve the cash on hand to cover your cost of doing business.

The study findings also revealed that 294(95.1%) of the respondents agreed that they are able to access loan finance from micro finances. The study agrees with the study done by Gyimah and Boachie (2018) who found that most microfinance banks grant loans for business purposes, asset procurement, agriculture, educational purposes and loans for salary earners.

Further, 272(88.0%) of the respondents agreed they are able to access loan finance from banks. The study finding agrees with the study done by Siwale and Okoye (2017) who confirmed that banks offer loan finance after good documentation. After getting all the documentation right, the next thing is to open an account with the microfinance bank. Application for this loan in a microfinance bank, the first thing is to open an account with the bank. This is for data capturing as well as to show commitment to the bank

Another, 206(66.7%) of the respondents agreed that they are not able to access financial capital due to lack of awareness of financial capital information. The study agrees with the study done by Das, Verburg, Verbraeck and Bonebakker (2018) who found that the financial services markets, barriers to entry include licensure laws, capital requirements, and access to financing, regulatory compliance and security concerns.

The financial services sector has a uniquely complicated relationship with competition and barriers to entry.

Finally, 291(94.1%) of the respondents agreed that they have gain entrepreneur's trust from my business partners who lent them money when in need. The study agrees with the study done by Lumineau (2017) who found that trust is the social glue that holds business relationships together. Business partners who trust each other spend less time and energy protecting themselves from being exploited, and both sides achieve better economic outcomes in negotiations.

5.4 Conclusions of the Study

The results of the study showed that innovativeness significantly affected business performance. Increased business innovation leads to increased productivity across various business dimensions, including individuals, processes, and business models. It provides business executives with fresh concepts that can help them boost efficiency while using fewer resources. In addition, the mitigation of business hazards and other dangers.

According to the study, pro-activeness positively and significantly impacts business performance. Furthermore, the study discovered that pro-activeness is required for the business to achieve its long-term goals. Pro-activeness builds self-motivation, leads to creative problem-solvers, and is eager to seize chances. The study found that through pro-activeness, employees become more investors in their work and produce better outcomes because they feel trusted and encouraged by their superiors. Employees and the business can benefit from an environment that encourages Pro activeness. Having a competitive edge was found to improve company results significantly.

A favourable and statistically significant correlation between risk-taking and business financial outcomes was also found. As per the finding, risk-taking has a significant effect on business performance. Furthermore, the study found that risk-taking motivates entrepreneurs to find a strategy that works because of the significant risk taken. It was evident from the study that if you can break new ground, you was likely to discover a winning tactic in your field that no one else is prepared to that least not right away.

The study's findings suggest that a company's performance can be significantly impacted by its level of competitive aggression. The study also indicated that fierce competition helps workers succeed at challenging new tasks. According to the study, employees who engage in competitive aggressiveness are better able to overcome anger towards a specific person.

The study found that when employees are granted the freedoms associated with autonomy, they report higher levels of job satisfaction. The study found that autonomy boosts motivation and enjoyment while reducing employee turnover. This is likely due to workers feeling more accountable for the quality of their work. Finally, as per the study, financial capital access has a moderating effect on business performance. Because the coefficient was significant, financial capital access had a moderating effect on the relationship between innovativeness, risk-taking, pro-activeness, competitive aggressiveness, autonomy, and business performance.

5.5 Limitation of the Study

The study encountered several limitations, including the respondents' unwillingness to divulge any information regarding the business performance of small and medium enterprises. This was attributed to the conservative stance of some micro-financial institutions' member's fear of addressing some failures of the small and medium

enterprises. The study was limited to using questionnaires to collect the data/information. However, this was supplemented with ensuring the questions in the questionnaires captured all content of the research objectives.

5.6 Recommendations for Further Research

The following is a list of suggestions for further study related to the current inquiry.

In practice the study recommends that firms which aim at sustaining their business have to enhance entrepreneurial orientation to improve business performance. This proves that entrepreneurial orientated culture should enhance entrepreneurial behavior within the firm. In a competitive environment, aggressive marketing can strengthen performance. The market information obtained from customers and the competitors helps the firm to keep an eye on the market. The study recommends the small and medium enterprises owners to focus on entrepreneurial orientation components, which include innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy in order to improve business performance in their organizations. This will ensure uniform operations in the industry by informing the formulation of policies by concerned stakeholders.

The study recommends policy makers to formulate policies of financial access as well as entrepreneurial orientation to ensure that the environment in which the small and medium enterprises operates favorable for sustainable performance. The bottom-up policy on SMEs should be implemented. This will create jobs, drive innovation, and boost local economies. By supporting SMEs, governments can help to create a more inclusive and prosperous society.

Future research is suggested to overcome the study's weaknesses because there are multiple ways to extend this study. The county of Uasin Gishu in Kenya was the only

other location where the study was carried out. Future researchers could do a similar study in a different business or industry area to see if there have been any reaction shifts. It was interesting to see if and how the study's findings may be applied to other contexts and fields.

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APPENDICES**Appendix I: Introductory Letter**

George Kipyatich Kibor

P.O.BOX 75-30100

ELDORET

Tel: 0722565504

Dear Respondents

REF: REQUEST TO FILL OUT THE ATTACHED QUESTIONNAIRE

I am a student at Moi University pursuing a master's degree course in business administration (Strategic Management) in the School of Business and Economics. I am carrying out a research study on '**Entrepreneurial Orientations, Financial Capital Access on Business Performance of Small and Medium Enterprises in Eldoret Town, Uasin Gishu County, Kenya**'. Kindly spend 10-15 minutes to fill the attached questionnaire. The information you will provide was used only for purposes of academic study and was treated with the utmost confidentiality.

Thank you.

Yours Sincerely,



George Kipyatich Kibor.

Appendix II: Questionnaire

You are kindly asked to fill out this questionnaire by putting a mark (√) or (X) in front of the applicable answer in the cell, do not write your name or your enterprise/company name in the questionnaire.

Section A: Company Profile / Information

1. What is the size of your business?

<u>Statement</u>	<u>Number of Employees</u>	(√) or (X)
Small Enterprises	10 - 49	
Medium Enterprises	50 - 99	

2. Indicate what types of businesses are operating.

<u>Statement</u>	(√) or (X)
Manufacturing	
Trade	
Service	

Section B: Business Performance

To what extent do you agree with the following statements on business performance in your organization? (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree) Kindly answer the questionnaire by putting a mark (√) or (X)

<u>Statement</u>	1	2	3	4	5
1. I have increased my business profit for the last three years					
2. My business growth has improved through innovations					
3. I have managed to create new products in my business					
4. My gross profit has improved due to innovation in my business					
5. Customer satisfaction has risen in my business					
6. My market share has raised my sales revenue					
7. The debt-to-equity ratio has reduced in my business					
8. Employee satisfaction rating has risen in my business					

Section C: Innovativeness

To what extent do you agree with the following statements on innovativeness in your organization? (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree)

Kindly answer the questionnaire by putting a mark (√) or (X)

Statements	5	4	3	2	1
1. I regularly introduce new services/products/processes through innovation					
2. I have adopted new technologies in my business operation					
3. I place a strong emphasis on continuous improvement in products/service delivery through innovation					
4. I have new products to meet changing customer needs					
5. I always value employee's innovations since they explore new services/products to satisfy my clients					

Section D: Risk-Taking

To what extent do you agree with the following statements on risk-taking in your organization? (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree)

Kindly answer the questionnaire by putting a mark (√) or (X)

Statements	5	4	3	2	1
1. I am venturing in financial risks in order to ensure business performance					
2. I am venturing into unexplored business with high demands from the community					
3. I am venturing in new unexplored markets					
4. Personal risks taking has ensured that there is growth in my business					
5. I always differentiate my products to be more competitive					
6. I always target different customers segments					

Section E: Pro-Activeness

To what extent do you agree with the following statements on pro-activeness in your organization? (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree)

Kindly answer the questionnaire by putting a mark (√) or (X)

Statements	5	4	3	2	1
1. I often introduce new products/services/ processes.					
2. I typically initiate actions that competitors respond to					
3. I continuously seek out new products/processes/services					
4. I continuously monitor market trends and identifies the future needs of customers.					
5. I always encourage employees to manage their own work and have the flexibility to resolve problems.					

Section F: Competitive Aggressiveness

To what extent do you agree with the following statements on competitive aggressiveness in your organization? (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree) Kindly answer the questionnaire by putting a mark (√) or (X)

Statements	5	4	3	2	1
1. I always use proper communication in the business to ensure that customers get information at the right time					
2. I always involve employees in problem solving of the business activities					
3. I give employees the freedom and independence in doing their work					
4. I always consider employee's opinions in decision making in order to get new ideas					
5. The individuals in my business work as one large team to improve the business competitiveness					

Section G: Autonomy

To what extent do you agree with the following statements on autonomy in your organization? (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree) Kindly answer the questionnaire by putting a mark (√) or (X)

Statements	5	4	3	2	1
1. I do not give employees the freedom to act					
2. I allow business employees to deal with problems and opportunities					
3. The operating divisions are quite independent in my business					
4. Employees need to take consent from me in order to take decisions					
5. I assign new responsibilities to employees					

Section H: Financial Capital Access

To what extent do you agree with the following statements on financial capital access in your organization? (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree) Kindly answer the questionnaire by putting a mark (√) or (X)

Statements	5	4	3	2	1
1. I can access credit to my daily operations					
2. I can access loan finance from micro finances					
3. I can access loan finance from banks					
4. I am not able to access financial capital due to a lack of awareness of financial capital information					
5. I have gained entrepreneur's trust from my business partners who lent me money when in need					

Section I: Demographic Information

1. Gender

Male Female

2. For how long have you been operating your business?

Less than 5 years between 6 - 10 years Between 11 - 15 years between 16 - 20 years More than 20 years

Appendix III: Permit Application Letter from Moi University



**MOI UNIVERSITY
POSTGRADUATE OFFICE
SCHOOL OF BUSINESS AND ECONOMICS**

Tel: 0790940508

0771336914

0736138770

Fax No: (053) 43047

Telex No. MOIVARSITY 35047

P.O. Box 3900

Eldoret.

Kenya

RE: MU/SBE/PGR/ACD/21B

DATE: 8th July, 2022

TO WHOM IT MAY CONCERN:


RE: GEORGE KIPYATICH KIBOR- SBE/PGM/ELD/016/16

The above named is a bonafide student of Moi University School of Business and Economics, undertaking **Master of Business Administration**, specializing in **Strategic Management**.

He has successfully completed the coursework, defended his proposal, and is proceeding to the field to collect data for his research titled: ***“Entrepreneurial Orientation, Financial Capital Access on Business Performance of SMEs in Eldoret Town.”***

Any assistance accorded to him will be highly appreciated.


Yours faithfully,


SCHOOL OF BUSINESS &
ECONOMICS
MOI UNIVERSITY
P. O. Box 3900 ELDORET 30100

**DR. RONALD BONUKE
POSTGRADUATE CHAIR, SB&E**

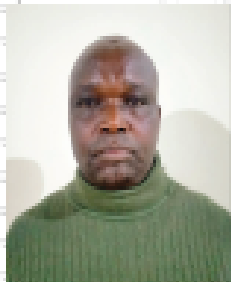
/uc

Appendix IV: Nacosti Research Permit



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

RESEARCH LICENSE



APPLICANT IDENTIFICATION NUMBER


574016

License No: NACOST/VP/22/20451

Disaster Grant

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code

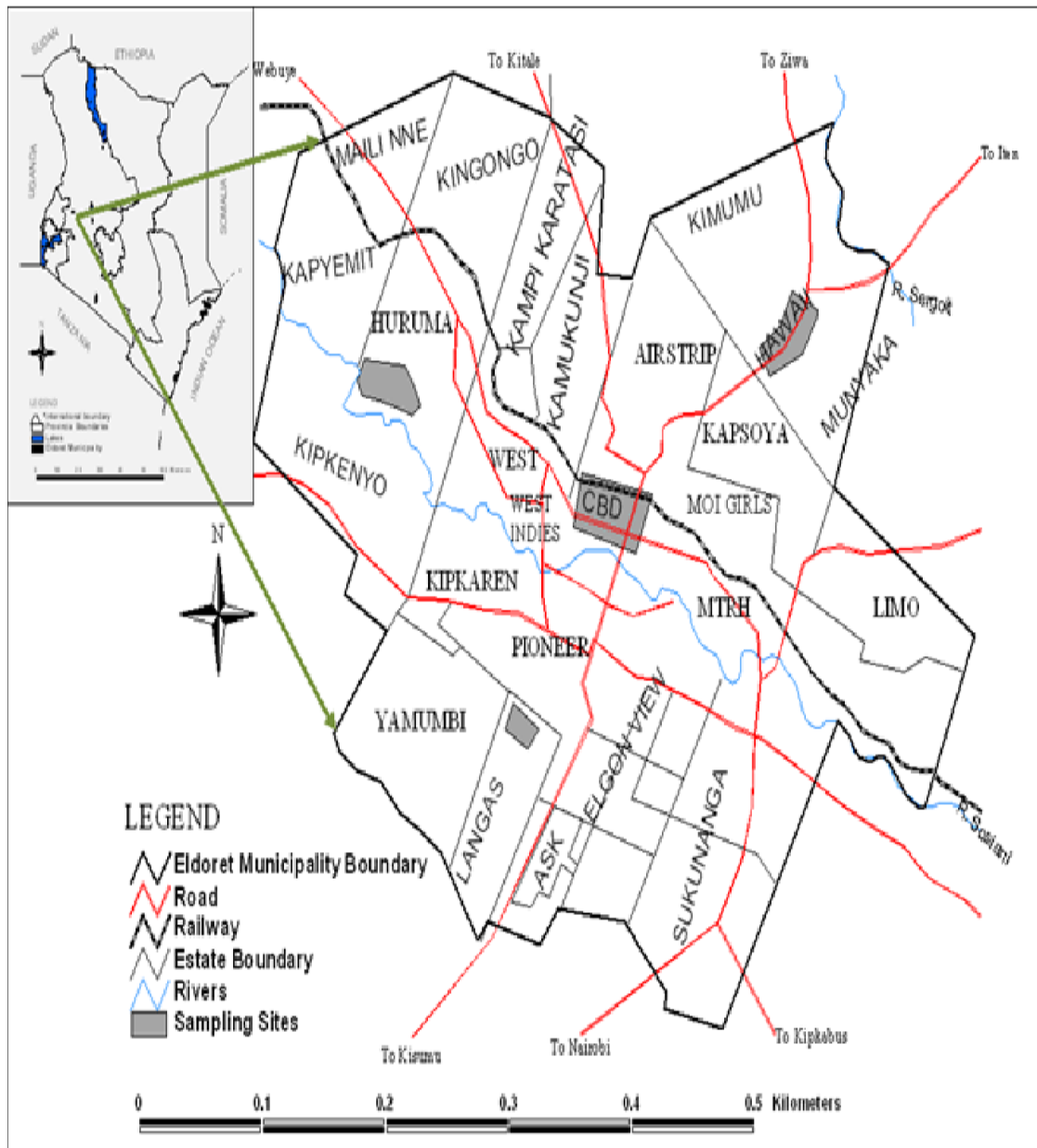


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Date of Issue: 22/September/2022


This is to Certify that Mr. George Kipratch Kibor of Moi University, has been licensed to conduct research in Uasin-Gishu on the topic: ENTREPRENEURIAL ORIENTATIONS, FINANCIAL CAPITAL ACCESS ON BUSINESS PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN ELDORET TOWN, UASIN GISHU COUNTY, KENYA for the period ending: 22/September/2023.

Appendix V: Map of Eldoret Town



Appendix VI: Plagiarism Certificate

SRJ59



THESES WRITING COURSE

PLAGIARISM AWARENESS CERTIFICATE


This certificate is awarded to

GEORGE KIPYATICH KIBOR

SBE/PGM/ELD/016/16

In recognition for passing the University's plagiarism
Awareness test with a similarity index of 03% and
Striving to maintain academic integrity.

Awarded by:



Prof. Anne Syomwene Kisilu , CERM-ESA Project Leader

08th /02/2023